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THE PROBLEM OF AGRICULTURAL SETTLEMENT AND RESETTLEMENT IN THE UNITED STATES[1]

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Washington, D. C.

I. *Introduction*

It is astonishing that after four centuries of experience in land settlement and colonization in America, in addition to the accumulated experience of Australia, New Zealand, Canada, South Africa, and some of the European countries, and in spite of the vast amount of literature on the subject, from Hakluyt to the present day, we find ourselves, in the year of our Lord 1921, still groping for a policy.

Generally, those who venture to speak on this subject are committed to some pet project or method of a more or less mechanical character which they consider to be *par excellence* the solution of the entire problem of land settlement. The present discussion is based on the assumption that no single project or plan of land settlement is adapted to meet the varied needs of this great country, and indeed

[1]Paper read at the Second Annual Meeting of the Southwestern Political Science Association, March 24, 1921. Professor Gray is the Economist in charge of Land Economics in the office of Farm Management and Farm Economics of the United States Department of Agriculture.

I shall not even attempt to outline a single project or policy, but rather to discuss some of the fundamentals of the problem of land settlement, believing that when the fundamentals are solved the details will take care of themselves. The great diversity of projects and suggestions at present is as largely due to disagreements as to fundamentals.

II. *Settlement versus Resettlement*

British Classical Economics recognized three ways of increasing agricultural production: (a) By the occupation and utilization of new lands; (b) by working lands already in farms more intensively, which involves not only the more intensive employment of land already in use, but also the bringing into use of land in farms not now used or not now fully utilized, such as areas which require drainage, lands that need to be cleared in order to be most serviceable, and lands that need some special treatment in order to supply deficiencies in fertility; and (c) working land more efficiently or scientifically—that is, applying a higher level of intelligence in the use of a given amount of labor and capital on a certain amount of land, rather than using more labor and capital in proportion to a given area, as is involved in the second method.

It was recognized in the Classical Economics that the first two methods involve always an increased cost per unit of production because it was assumed that if new areas of farm lands were to be taken into use, such areas would be either qualitatively less productive than the lands previously used or would involve a larger cost per unit of product in order to make them available for use. In the case of the second method, namely, working old lands more intensively, it was likewise assumed that there would be an increased cost per unit of product, because the law of diminishing productivity would become operative.

It was, of course, brought out by subsequent criticism that the bringing into use of new land would not necessarily involve the movement from good to poor lands but might in some cases from a long-time point of view involve quite

the opposite tendency. However, it is highly probable that we have reached the stage in our national life when the bringing into use of additional areas must follow the course expected by economists of the British Classical School. Practically all of the estimated 370 million acres of potentially arable land yet remaining comprises lands that have heretofore been avoided by those seeking farms, because of natural disadvantages rather than because of inadequate transportation facilities or lack of marketing advantages. Thus it is estimated that 200 million acres consists of cut-over or timbered land that must be cleared of trees, stumps and small growth. Perhaps one-half of this is already in farms. Of the remainder a large part is light sandy soil of comparatively small agricultural value. There is approximately 60 million acres of swamps and other wet lands. Much of this is characterized by rich soils, but there are large areas of peat bogs for the most part unsuited to agricultural use. It is estimated that probably 30 million acres of land may yet be reclaimed by irrigation. It is possible also that there may be some extension of area by dry farming methods, although the most available lands for this use are probably now in farms. Finally, there is approximately 50 million acres of land in the Eastern States classed as "improved land other than woodland" and consisting largely of unused fields, stony upland pastures in hilly regions, and waste lands. A large part of this area is already included in farms.[1]

Some of the above-mentioned disadvantages are removable by drainage, irrigation, and clearing, but the expenditure of capital may be prohibitive, even if the soil and climate are potentially suitable to agriculture. Certain areas of wet lands must not only be drained and protected from overflow, but also cleared of a heavy growth of stumps and underbrush. Although the soils are potentially rich and the rainfall ample, the cost of development into farms may

[1]These various estimates are from "Arable Land in the United States," by O. E. Baker and H. M. Strong, *Yearbook* of the U. S. Dept. of Agr., 1918.

be justified only in periods when prices of farm products, and consequently land values, are relatively high. On the other hand, there are large areas of light sandy lands that can be developed and equipped for farming purposes at relatively small expense, but the prospective yields are too small, except in periods of high prices for agricultural products, to cover the expense of cultivation including the application of large quantities of fertilizers.

It was customary for the British Classical Economists to assume that the two margins, the extensive margin and the intensive, move downward together. It was believed that if a given amount of product could be obtained more economically by expanding the area of land in farms this would be done. If, on the other hand, it was more economical to employ the additional labor and capital on lands already in farms, the second, or intensive margin, would be the one selected. Obviously if one could assume free and intelligent adjustments of the margins neither one would be extensively employed without the corresponding employment of the other.

Now, if we would assume that this nice and automatic adjustment of the two margins would occur by private initiative, there would probably be little need for a positive policy either of settlement or of resettlement, and it would be possible to rely on the classical policy of *laissez faire*. However, in this theory the factor of economic friction has largely been ignored. In assuming that the two margins are closely adjusted to one another there is implied the further assumptions that people readily move from places of least advantage to places of greatest advantage and that they are fully aware always of the relative profitableness of the alternatives of employing their labor and capital by bringing new lands into cultivation as compared with using the same labor and capital on lands already in farms. We can say unqualifiedly that this process of equalization does not occur in practice, although, of course, there is some relationship between the respective margins of utilization and a long-time tendency toward a more or less approximate equalization of return in proportion to expend-

iture. In short, the British classical theory is a description of what would be desirable if some of the economic friction could be eliminated, and it is one of the functions of land settlement policies to reduce this friction so that there may not be an ill-balanced resort to the use of new lands when greater opportunities already exist in the case of land now in farms or *vice versa*. In response to a growing demand for agricultural production it would be desirable that there be a well-balanced resort to all three methods: first and foremost, an improvement in the methods of farming on land now in use; second, a careful appraisal of opportunities for land already in farms for more intensive use—that is, for the employment of a greater amount of labor and capital upon existing areas of farms; and third, the extension of the area in farms by making unoccupied land into farms.

As already noted, in addition to the extension of the two margins just described, British Classical Economists contemplated a third method of increasing agricultural production —namely, by a more efficient use of land in farms. However, this is largely a matter of agricultural research, and therefore outside the scope of this paper. We shall, therefore, concern ourselves with the two other methods, namely, a more intensive and complete utilization of existing farm land and the extension of the area in farms, the first corresponding to policies of resettlement and the second to policies of settlement.

Other things being equal, resettlement has certain positive advantages as compared with settlement which may be summarized as follows:

(1) We are likely to be better acquainted with the characteristics of land now in farms and with the most effective methods of using it, since these methods having been developed and tested by experience.

(2) The community advantages are already established so that the farmer can enjoy more or less from the start the church, school, transportation and community facilities and an established community social life. While much remains to be done by way of improvement of these community advantages, nevertheless they are likely to be more

highly developed in existing farming regions than in newly settled regions.

(3) Land values in established farming regions are likely to reflect more accurately the relative advantages of different tracts of land and there is less likelihood of serious error on the part of the settlers in this regard. The importance of this will be more clearly indicated in a later part of this discussion.

(4) Markets are established and are frequently much more satisfactory than they are in newly developed areas. In the hearings on the Mondell Bill it is significant that a congressman from the state of North Dakota insisted on the relative advantages of farm lands near the Atlantic Coast, even of comparatively inferior soils, for purposes of settlement, because of the nearness to market. This gentleman had had forced upon his attention the extreme disadvantages of farming areas 1500 miles or more from the great centers of consumption.

(5) In bringing into use land already in farms not now fully used by draining wet lands, clearing fields of trees and stumps, removing rocks or improving soil fertility we are increasing the area of already established farms. The buildings and fences are already there, the farm is a going concern and the extension of area is therefore effected at what is likely to be a considerable economy as compared with carving an entirely new farm out of the wilderness.

These are very positive advantages in favor of resettlement as compared with settlement. However, they are not paramount advantages and I do not mean to say that all of our agricultural expansion should be by way of resettlement rather than by the process of extending our agricultural area.

III. *The Proper Rate of Expansion of Agricultural Area*

Not only is it important that there be a proper balance between the two policies of settlement and of resettlement and an intelligent selection of the new areas which we intend to employ, but it is also highly important that we ex-

pand our agricultural activities at the proper rate, neither too rapidly nor too slowly. This statement sounds obvious, and yet there is a vast amount of loose thinking on this particular subject. The economic tyro is likely to conclude that high prices for food can be remedied by a large expansion of our agricultural area. He rides through the country and sees large tracts of land which are apparently not fully in use, and if he has been to Europe where land is very intensively cultivated, he comes to the conclusion that the cause of high prices of food is the wasteful use of land in the United States. He does not recognize the fact that it takes labor and capital to use the land and that relatively it may be much less profitable to employ this additional labor in extending the farming area or in a fuller use of existing farm land than to employ it in mining, manufacturing, commerce, or other activities.

In fact, paradoxically it appears that in spite of our high prices for food during recent years there has been an outcry that the country-side is being depopulated—farmers and farm laborers are moving to town, and indeed this phenomenon has largely been due to the relatively greater profitableness of urban industries and the relatively higher returns for labor and capital than have been possible in farming under average conditions. On this point may I quote from the Annual Report of the Secretary of Agriculture for 1919:

"There are numerous fallacious opinions with respect to the need of extending the farm area. Many people, noting the prevailing prices of agricultural products, demand increased production and insist that the remedy lies in immediate and rapid expansion of the acreage in farms. Others, observing large tracts of unused land, deplore the great waste of our resources. Still others explain the movement of population from rural districts to cities by the nonavailability of land, which they attribute to land monopoly, speculation, and other evils. The demand for farm products, unlike the demand for manufactured articles, does not expand rapidly to meet a large increase in supply. There is a tendency toward an equilibrium between urban and agri-

cultural industry. If too much labor and capital are diverted from farming, the relative prices, and consequently the relative profits, of agricultural activity will increase, and there will be a tendency toward expansion. If this is excessive, however, relative prices and profits will tend to decrease and the industry may suffer depression. The inelasticity of demand for farm products sets a very decided limit at a given time to the increase of population and capital profitably employed in agriculture.

"There could be a larger proportion of farmers to total population if each farm were self-sufficient and produced no surplus of consequence, but today the average farmer produces many times what he consumes of some things and is dependent for his prosperity upon their profitable exchange for other articles which he uses. There should be, and in the long run there will tend to be, no more farmers in the Nation than are needed to produce the quantity of products which can be disposed of at a profit."

It should also be recognized that it is important not only to expand our agriculture only in proportion to the need for expansion but also to select as far as possible suitable times for expansion. There was much agitation about two years ago for an extensive policy of public colonization. It is easy to see now and some believed even then that there has been no worse time within a generation for undertaking such an extensive policy. We were right at the peak of the greatest period of inflation since the Civil War. Prices of land, labor and equipment were at the highest point so that it would have been necessary to incur all expenditures for establishing and equipping a farm at the high level of prices then prevailing and in face of a practically certain decline in the prices of farm products, a decline which has since been realized. Theoretically, the best time for a considerable expansion in area, assuming that such an expansion is justified at all, is just at the close of a period of depression and just before the period of depression is being converted into a period of prosperity, at a time when capital charges will be at the lowest point and when one may anticipate a number of years of increasing prices for farm products,

giving the settlers a chance to become fully established financially before having to encounter the next depression period.

IV. *Criteria of a Suitable Policy of Agricultural Expansion*

Thus far I have been discussing certain fundamentals which must underly an intelligent and successful policy of agricultural expansion. I should like to pause for a moment to summarize these fundamentals and to include certain other points which admit of being summarized before considering how well the various agencies now engaged in promoting agricultural expansion are functioning. Briefly stated, we may consider among the fundamentals of a desirable policy of expansion the following:

(a) A rate of expansion justified by fundamental economic conditions maintaining the proper economic balance between agriculture and industry.

(b) Expansion at such periods in the economic cycle of prosperity and depression as are most favorable to the probable success of agricultural settlement from a financial standpoint.

(c) The maintenance of a proper balance between settlement and resettlement as discussed above.

(d) The selection of immediate utilization of the lands most suitable for present use as determined by soil conditions; climate; the cost of removing obstacles to use, including excessive water, trees, stumps and brush, etc.; and market facilities;—in other words, an intelligent selection of lands for settlement or resettlement.

(e) Land prices reasonably justified by the use value of the land rather than determined by speculative influences or made possible by methods of super-salesmanship.

(f) The careful selection of settlers and the location of each settler on the lands which he is best fitted to use economically.

(g) The provision of the conditions favorable to the probable success of the settler, particularly the credit facilities and the guidance needed in adapting himself to the new conditions that would need to be provided for one class of settlers to insure success or for one kind of land will frequently be quite different from the conditions requisite for other kinds of settlers and other kinds of land.

V. *Land Settlement by Private Agencies*

The agencies which may be employed to promote the process of settlement may be variously classified, but we may recognize two primary classes, private agencies and public agencies. At the present time the process of settlement is largely being carried on by private agencies and it is important to consider what are the advantages and disadvantages of these private agencies as they now function. Moreover, a greater part of the land now available for settlement is privately owned. This fact more than any other one thing complicates our problem of settlement. It would be vastly easier to devise an effective system of agricultural expansion if the greater part of our potentially arable land were in the hands of the Federal Government.

The private ownership of this land is responsible for one of the most serious conditions which we have to face, namely, the tendency toward over-expansion of land area. The Single Taxers have been assuring us for many years that the private ownership of land is responsible for the holding of land out of use. It was suggested above that probably we have more land in use at present than we can afford to use, and indeed that the use of land is limited more by the available labor and capital than by scarcity of land itself. As a matter of fact, the tendency to bring too much land into use has prevailed largely throughout our economic history as a nation. The reason for this is that private ownership instead of withholding lands from use has the effect of forcing lands into use more rapidly than prevailing economic conditions justify. This tendenccy is due to the

fact that the owner of land, so long as he retains ownership, is compelled to bear heavy expenses for taxes and for interest on his investment. Suppose you put $10,000 into purchasing a tract of wild land. Let us suppose you belong to that reprehensible class which we call "land speculators." It is clear that so long as your money is in the land you are losing compound interest on the amount, for if you had put your money in bonds you would have the annual interest which could be ultimately reinvested or compounded. Moreover, you have to pay taxes, and in our country land taxes are exceedingly high, ranging usually from 1 to 2 per cent on the investment. In any proper calculation of the cost of holding the land one should count not only the expenditure for taxes but compound interest on these sums. The only return you get for incurring these costs is the possibility of selling the land at more than you bought it for. Now you may consider that the increase in value is greater than the accumulation of cost, but I believe it would be a safe statement that the increase in value of the cut-over lands of the Great Lakes States as a whole, leaving out of account special districts and tracts which have been peculiarly favored by rapid development, has not been one-half the cost of holding that land during the past 30 years in spite of the fact that we have had a rapidly rising general level of prices during that time.

The owner of a tract of wild land has the option of sitting down and waiting for some one to come and buy it or of bestirring himself to hasten its sale. If he pursues the former policy he has no way of calculating how long he will have to wait and therefore how long he will be subject to this accumulation of costs. It is fairly certain that if he sits down and waits for some one to come and buy his land he will wait a long time, for there is a tremendous scramble in new regions to sell land and those who are actively seeking to market their lands are likely to preempt in advance all prospective purchasers. This pressure to sell is severe enough even for the railroads which obtained their land through land grants without any special outlay of capital for acquiring it, or for the lumber companies which ob-

tained land "for a song" and which are able to figure that it has more than paid out in timber, for, even these agencies now have to pay taxes and can also consider that if they could sell their land now their money could be accumulating at compound interest. The pressure to sell, however, is very much greater for land companies and other agencies which have bought blocks of land on credit or have borrowed heavily to finance their operations and which have to race against time to resell it in order to escape the acccumulating costs of interest, taxes, and overhead expense. In such cases there is a tremendous pressure to sell and to sell rapidly.

The result of this high pressure to dispose of undeveloped holdings is that an unduly large amount of land is seeking a market, an amount that has no relationship to the present need for expansion. A vast amount of this land ought not to be put to use in the immediate future, some of it probably not for generations, partly because it is not needed, and partly because much of it is so inferior in quality that it should be allowed to grow up to forests and bear another crop of timber. However, it is not only true that an undue amount of land is being forced on the market, but also that there is a pressure to dispose not only of the superior grades but also of the inferior grades, for the man who owns the poorer grades is no less eager to escape the burden of accumulating taxes and compounding interest than he who owns the best. In fact, the owner of the poorer grades of land is likely to be more eager to sell, for, the owner of good land is more likely to anticipate an early legitimate demand for actual use as distinguished from speculative purchases, and therefore is more likely to hold on in the hope of a speculative profit.

It might be thought that this keen competition for the sale of land is really beneficial to the would-be settler, giving him not only his choice of land but also the land at relatively low purchase price as compared with its use value. The fact is, however, that such enormous expenses have to be incurred in selling that these expenses must be added to the price of land and the result is that it is likely to be dear

indeed by the time the intending settler has purchased it through agencies which are actively pushing it on the market.

These special expenses involved in selling fall under two main classes: (a) the making of special provisions to facilitate settlement; and (b) high-power salesmanship to induce people to take the plunge. Each of these classes of expense needs to be separately discussed.

(a) The provision of special facilities for settlement consists largely of the making of easy terms of credit, either in the form of liberal terms of purchase or by the lending of development capital or the improvement of the farm in advance of purchase by the construction of buildings and the clearing of a certain amount of land.

There are all sorts of plans now in use by land companies for putting settlers on the land and for providing the facilities which will enable them to meet their obligations. Some of these plans are really helpful and have been carefully and scientifically devised with the purpose of making it as easy as possible for the settler to succeed. The Division of Land Economics has been making a comprehensive study of these various methods. It is impossible at present to discuss them in detail. That I may not be misunderstood it is only fair to say that we have found companies that have done creditable work in trying to provide the facilities essential to success. However, it may be stated that those companies who do the most for settlers are those that have the heaviest overhead expenses to meet and that this expense must be added to the price of the land. I do not refer to expenses which are incurred for purposes of development, such as construction of buildings, purchase of live stock, etc., for of course the settler would have to incur these expenses himself in any case, but I refer rather to the overhead expenses involved in advancing for the settler what he would otherwise do for himself, and of maintaining supervision over his activities made necessary by the heavy credit advances by the companies. I am not trying to condemn this semi-paternalistic form of colonization. There is some need for it, but it is also capable of great abuses.

It is broadly true that the quality of settlers attracted will bear an inverse relation to how much is done for them. Broadly speaking, it is those persons who have accumulated less and therefore who in many cases are thriftless or who have been least efficient in the economic struggle, who have to be provided with so many facilities to enable them to obtain a foothold on the land, and the necessity of attracting this class of persons is largely a by-product of the forcing process of settlement which I have already discused. For, the policy of attracting this class of persons is largely the out-growth of the fact that the real advantages of the lands being offered for settlement are not great enough to attract farmers of considerable capital and experience. I do not mean to say that some of the latter class are not immigrating to our newly developing regions, but that they are not coming in sufficient numbers to provide purchasers for all the land that is seeking sale, thus compelling the agencies which are trying to sell land to fall back upon the least desirable classes of immigrants.

There can be no question that some of the people who have but little capital with which to make a start in farming and even some who have comparatively little experience may ultimately make good in commercial farming, and it is desirable to have some arrangements in our settlement program by which persons with little capital who really have the capacity to develop into good farmers can get a foothold on the land. Thousands, however, who are being induced to buy land who should never undertake to farm for themselves.

(b) The second kind of heavy expenditure necessitated by the pressure to dispose of lands is the expense for selling. The land company which is in the business to make a living, as distinguished from the lumber company or other owner who has held his land for a long period, is compelled to sell rapidly in order to meet expenses and make a profit. This is true whether they engage heavily in the developmental and settlers' aid expenditures or whether they are selling land alone. The emphasis is on the rapidity of turnover and this emphasis frequently leads to selling settlers

too much land and also tends to a not too careful selection of settlers.

These costs of inducing people to buy add heavily to the cost of the land. In the Lake States high power salesmanship costs about $10 an acre, adding this much to the price of land which costs from $5 to $15 wholesale, so that selling expenses may and frequently do increase the price of the land above 100 per cent. There are other sections of the country where the sale costs run as high as $125 per acre for the sale of high priced land. The fact is, however, that on low priced land the cost of selling is likely to increase the price by a larger percentage than on high priced land. Whereas the sale cost of $10 per acre for the cheaper lands frequently adds more than 100 per cent to the price of the land, a selling cost of $100 per acre for lands which would normally sell for $300 per acre adds only 33½ per cent to the price.

Now in our economic theory we have assumed that men select wisely the different grades of land according to quality, taking the best land first and then the second best, etc. The fact is that any kind of land can be sold if you will spend enough for advertising and salesmanship, and it is also broadly true that whatever you spend to sell can be added to the price of the land.

The fact is that numerous people are seeking to get land that know little or nothing about the selection of it. Numerous inquiries received by the Division of Land Economics indicate that considerable numbers of persons want to get farms somewhere but have little idea of geographic conditions in different sections of the country and of their relative advantages and disadvantages of these sections for farming. This ignorance is equally characteristic of large numbers of buyers in the selection of the farm after they have decided on the section in which they desire to settle. Even persons with considerable farming experience are likely to be incapable of wise selection in a region essentially different from that with which they are familiar. Thus, thousands of farmers from the Corn Belt have purchased land because the soil looked black and rich, without recogniz-

ing the menace of alkali or the uncertainties of water rights. Other thousands have bought useless peat lands for the same reason.

If experienced farmers find difficulty in making a wise selection in new and undeveloped regions how much more is this the case with people who have not had farming experience! It seems probable that the largest class of buyers who purchase farms from land companies in the cut-over lands of the Great Lakes States consists of laborers from the copper and iron mines and lumber camps of the region. The next largest class comes from Chicago, Milwaukee, and St. Paul, and some of the smaller cities of the region. Many of this class are wage earners from the steel mills of Chicago seeking to escape the stress and strain of industrial labor by investing their small savings in land. Many of them have had little or no farming experience.

Land Sharks

"The prospective buyer's ignorance of fundamental conditions provides the peculiar opportunity of the exploiting land company. An enormous business has developed in various parts of the country for the purpose of profiting by this condition. Sometimes it takes the form of selling substantially worthless land at what appears to be a low price. Sometimes the company is selling good land, but at prices far in advance of its normal value.[1]

"It is basic to a proper understanding of the problem to recognize the fact that the methods of advertising and selling are substantially free from specific misrepresentation. It is a fundamental policy of large land companies to avoid statements that can involve the company in a law-suit and particularly that will incur the danger of prosecution for misuse of the mails. Occasionally a slip occurs on the part of some over-eager salesman or advertising agent, but such occurrences are merely incidental, and for the most part,

[1]This and following paragraphs are quoted from an article by the present writer which appears in the current issue of the *Yearbook* of the United States Department of Agriculture.

avoidance of specific misrepresentation is held to be a cardinal principle of land salesmanship. Such a policy is justified not only on grounds of safety, but because it is recognized that specific misreprensentation is a clumsy tool not needed in overcoming the inertia, timidity, or suspiciousness of the prospective buyer. By the employment of ambiguous phrases, half truths, skillful omission, and subtle suggestions, the buyer may be led to form the desired impression. Indeed, it must be recognized that misrepresentation of facts even by suggestion is not so prevalent as the creation of exaggerated impressions."

The Policy of Let the Buyer Beware

"It is but fair to recognize that among land companies there are all degrees of variation as to honesty of intention. Without doubt comparatively few are consciously pursuing what they consider to be dishonest methods. 'Good salesmanship' in the business world involves creating a favorable impression on the minds of prospective buyers, and provided no specific misrepresentations are made, few salesmen consider themselves obligated to reveal the weak points as well as the strong points of the goods sold. Especially if the article sold is of fair to good quality the salesman suffers no qualms of conscience if his salesmanship results in a sale at a price somewhat above the normal value. To admit this is not to condone the large volume of land sales made with the deliberate intention of selling land of inferior quality at an excessive high price with the expectation that the buyer in despair will ultimately allow the contract to lapse, leaving the company free to sell the land to the next victim. It is merely to admit the fact that many companies may be and are doing an entirely legitimate business according to the usual standards of business and that the serious results are due to the fact that the land is sold at a price above that which the normal value of the land justifies, a price so high that the settler has but a slim chance to make a financial success of his enterprise. Even when this is true, the company may not be making an excessively large profit, for the

high margin of gross profit on the land may be more than absorbed by heavy development costs, advertising and selling expenses, or carrying charges.

"Settlers moved by the impulse to become landowning farmers are being induced by thousands to invest painfully accumulated savings, to waste years of labor, and frequently to endure severe hardships in undertakings which offer but doubtful chances of success, with the consequent discouragement and disillusionment of themselves, as well as of others who might be considering a career on the land. It is of vital concern to the Nation that this movement to the land be not only not impeded, but that it be guided and directed in such a manner as to establish a stable agricultural industry in these newly developing areas."

It should be recognized, too, that high power salesmanship reacts unfavorably on other owners of land. In this connection I should like to quote from a letter written by a lawyer in Michigan who owns about 5000 acres of cut-over land which he has been unable to dispose of for the last twenty-one years.

"I am the owner of a 5000 acre tract of cut-over white pine and Norway pine land in the east tier of townships of Lake County. The western part of Lake County is largely jack pine barrens.

"I bought this land, most of it nearly twenty years ago. I paid the back taxes and bought the fee title. I have paid the taxes faithfully ever since. I have always desired to sell it. That is what I bought it for. . . . There has been no time that I would not sell it for $6 an acre, and offered to do so. . . . Can I sell it? No. Why not? Because grafters have scandalized all the wild land in lower Michigan until there is absolutely no market for it. I have been solicited times without number to let real estate agents handle it for me. I have been afraid to do so because I care more for my reputation that I do for what I can get out of that land. They always tell me they will be at large expense, must do lots of advertising, must entertain prospective customers, take them up there, and no doubt legitimately would incur considerable expense; but I discover

that they want to unload that land on purchasers for anywhere from $15 to $35 an acre. I will not be a party to that sort of business. I am forced to keep my land. When others ask so much and I ask so little it causes suspicion that my title is bad or that the land is no good. That is what the real estate sharks who ask $25 to $35 tell those who might possibly consider buying my land. Then because the land sharks ask so much, the assessing officers raise the assessment on all the wild lands and they get mine assessed for more than I would ask for it. I would take $5 an acre for my tract, almost anything down and something once in a while, and if I were offered $4 an acre I would think carefully before refusing it."

In addition to indicating the indirect injury which legitimate holders of land may suffer on account of the unscrupulous methods of land selling agencies, the letter just quoted suggests another important point—the dependence of would-be sellers of land on the large land-selling companies. Those who buy land in new regions and who for one reason or another find it necessary to sell again frequently find the demand for land entirely controlled by the agencies which import land buyers, so that there is, so to speak, no resale market for land. This condition is likely to prevail to the extent that the process of immigration is directed and controlled by land-selling agencies.

I do not mean to condemn what might be called private colonization or private settlement. I have pointed out some of its weaknesses, which largely grow out of the necessity of selling and selling rapidly. It is important also to recognize its strength, which is that of all forms of colonization, public and private, as distinguished from the more spontaneous kinds of settlement, namely, that the progress of settlement is planned and directed rather than allowed to proceed at haphazard.

Now a consideration of private agencies in settlement would not be complete without some discussion of the general process of settlement by more or less spontaneous migration as distinguished from the process of organized colonization.

The fact is that while we hear more about the more elaborate and mechanical arrangements for colonization, more actual settlement occurs through the gradual spread of population unguided than is effected by deliberate colonization processes. People who have successfully established themselves in the new region write to their relatives and friends and induce them to immigrate. Travelers in the region are attracted by its possibilities and decide to establish themselves there. After all, it is this gradual spreading out and filling up of the gaps by local residents, their friends and children, that counts most even yet in the settlement of a new region.

While this process of infiltration is not so picturesque, and while it does not appeal to the imagination as does an elaborate plan of settlement by colonization, yet it has certain positive advantages which should not be ignored. These may be summarized as follows:

(a) The selection of land is made in the light of the experience of more or less disinterested parties who have gained this experience at first hand on the land and therefore the settler avoids to some extent the exploitation through the sale of inferior or unsuitable land practiced by some of the land companies engaged in active colonization. To a certain extent, of course, local real estate men may get their slice of the pie in the process but generally speaking it is true that the local real estate man has to live in the midst of the community and can not afford to give himself too black an eye by serious misrepresentation or fraud. Moreover, he is interested in the progress of the community and is therefore desirous that his purchasers remain and make good and contribute to its upbuilding.

(b) To a large extent this process of settlement, is as mentioned above, a filling up of gaps in regions already partly developed rather than a process of diffusion of individual settlers in an entirely undeveloped section. Consequently the settler simply fits himself into established communities and participates in such community advantages as may have already been developed.

(c) Many settlers purchase abandoned farms where

some improvements have already been made by the discouraged first settler. In the Lakes States region there are numerous farms which have been at one time settled and partly improved and subsequently abandoned. These farms are frequently to be purchased at a lower price than raw land held for sale by large land dealers.

(d) In some sections this process of infiltration is more feasible than organized colonization because undeveloped land is owned in numerous small parcels. One of the surprising results of our study in the Lakes States has been to show the fact that large areas of entirely wild land are owned by hundreds of small absentee owners, many of them dwelling in various cities, such as Chicago, Detroit and other points in the central states. These small holdings are the result of advertising campaigns on the part of land-holders and land companies that have succeeded in selling these small tracts to individuals who have been moved by motives of speculation or by the belief that at some future time they will move to the new country and establish themselves on their holdings.

(e) Finally, the process of infiltration has the advantage that it is more spontaneous and less forced and artificial than the process of settlement effected by the more elaborately organized plans of colonization.

I am not meaning to assert that this process of spontaneous settlement which has been called infiltration is an ideal process, or even that it is superior to the most scientifically designed types of colonization. For this would be to assert that a *laissez faire* policy is superior to a constructive and intelligently devised plan of settlement. The infiltration process is subject to at least two important disadvantages: (a) the community development is planless and lacking in intelligent direction from the start; (b) there is no adequate provision for the credit needs of the financially weakest type of settlers.

In short, the sum of the whole matter is that infiltration is probably not so efficient a method of settlement as the best types of colonization that could be devised, but it is unquestionably a better process than is employed by many

agencies now engaged in more elaborate methods of settlement.

VI. *A Land Settlement Policy*

One would be bold, indeed, in the light of our present knowledge of the processes and problems of settlement in this vast country to undertake to propose dogmatically a detailed and elaborate plan of agricultural settlement, but I hesitate to terminate a paper involving a somewhat critical survey of existing processes of settlement without attempting in some measure to indicate some conclusions, tentative though they may be, as to future lines of progress in this all-important field.

The stress which was laid in the earlier part of this paper on the importance of controlling the rate and direction of settlement suggests what is to me one of the most important objectives to be attained in a policy of control of agricultural expansion. Theoretically if the state owned all or the greater part of the now potentially agricultural land it would be best to withhold from use such land as may be undesirable, either quantitatively or qualitatively, for present use. To be sure, he who is acquainted with the history of our land policy would be inclined to wonder whether the Federal Government or the states would today use any more restraint in disposing of such holdings even if they were in their possession than they have used in the past. To a large extent our history has shown that our form of government experiences difficulty in resisting the tremendous pressure for the rapid alienation of public holdings in agricultural land. However, it is important to recognize that we are living in a new age characterized by new concepts of the functions of government and particularly by a new attitude toward the public domain. Our policy with reference to forest reserves appears thus far to suggest that we have reached the point where the Federal Government is capable of a policy of restraint with reference to its public holdings of land.

Correlative with the need for building up a reserve of

agricultural land which shall be withheld from immediate agricultural use is the need for consigning such land as it appears desirable to reserve from immediate employment to use as forests or grazing, or to both uses. There are hundreds of millions of acres in the United States today which should be developed for forest purposes and which will not be so developed because the owners hope to dispose of it and because it is not clear that afforestation will be profitable from the individual standpoint. It would seem to be fairly probable that the more intensive methods of forestry employed by Europe are scarcely as yet economically suitable for our own country and that the more economical method is to allow the forests to grow spontaneously subject to protection from fire and other sources of injury. The greatest obstacle to this protection, however, is the scattered and transitory character of the private land holdings in those areas which should be reserved from immediate agricultural settlement. Moreover, it is important to recognize that in many such areas a policy of agricultural development and a systematic forest policy ought to go hand-in-hand. Not only is it desirable to reserve from settlement for forest purposes large areas of land which are either qualitatively unsuited for present agricultural development or which are not immediatcly needed for that purpose, but it should also be recognized that a proper coordination of agricultural regions and forest regions makes it possible to provide work in the forests to supplement the work of the farm. Such coordination is not likely to be successful unless a system of permanent forestry is provided for.

All of these suggestions not only presume a much more complete control of the whole situation than any public authority now enjoys, but also presuppose systematic land classification. If we are to make an intelligent and correct selection of lands to be devoted to agricultural use in the immediate future and of other land to be relegated to forest purposes for another generation or more, it is essential that such a selection shall be made only after the land has been scientifically classified. To many the idea of land classification suggests an elaborate survey covering the entire United States in a

most intensive and minute way. As a matter of fact, however, common sense would indicate that no such costly method should be employed. In the first place, there are vast areas of developed land about which there is no question as to their adaptability to agricultural uses. There are vast areas of other lands which are obviously unsuited for agricultural purposes under any conditions of demand that are likely to develop within the next generation. It is only the lands on the margin between the two uses that would need to be carefully studied from the standpoint of a correct decision.

For the purpose of controlling the rate of colonization and of compelling it to take the direction of the lands most suitable for immediate use it would be easier if the Federal Government could reacquire all or a greater part of those areas which may be regarded as potentially agricultural. This would be desirable partly because public ownership is likely to prove a more effective means of providing for the afforestation of areas to be held in reserve,, and partly because it is easier to limit the rate of expansion if the land is not held by private owners. How this land could be reacquired I shall not attempt to discuss in the present paper. In certain other countries the exercise of the principle of eminent domain combined with a system of self-assessment on the part of the private owner with the alternative of purchase by the state has been employed. Such a method might be invoked in this country but I do not care to assert at present its desirability.

It is important that it would not be necessary for the Federal Government to acquire all state lands that are potentially agricultural in order to develop a unified policy. Such a policy could be worked out cooperatively by the Federal Government and various states, but the emphasis is on the necessity of a single and unified policy of controlling the process of settlement.

If we assume that it is not practicable, either economically or politically, for the Federal Government to reacquire a large part of the remaining area of potentially agricultural land, then the problem arises how the rate of

settlement by private agencies can be controlled. I have no suggestions at present which I would venture to make on this point. All of our legal traditions would at present be hostile to forbidding or restraining people from disposing of their property, for the right of disposal is one of the privileges inherent in the institution of private property. It is possible that by some form of taxation restraints could be imposed which would prevent land from being too rapidly sold to settlers; in fact, the Federal income tax now exerts at least a mild pressure in this direction.

Likewise, it is not practicable within the scope of the present paper to consider how the quality of lands sold to settlers, assuming private ownership to continue, can be controlled, but it is most essential that means be devised by which land companies may be restrained from selling lands which are clearly inferior or from selling lands which are of fairly good quality at excessively high prices. A certain amount of experience which we have had incidentally during the past year and a half leads me to believe that the adoption of a policy of courageous publicity on the part of the Federal Government or states concerning the character and probable value of lands of different kinds and in different regions may have much to do with providing the necessary protection of those now seeking to establish themselves on the land. It is also desirable that the methods of settlement employed be more scientifically devised. While some land-selling agencies are undoubtedly employing superior methods the vast majority are using methods that are not favorable to the success of the settler. Numerous questions of detail are involved, such as the selection of the land, economic clearing of the land and the economical rate of clearing, suitable types of improvements in the early years of settlement, the size of the economic holding, the proper selection of farm enterprises, the methods of farming best suited to the conditions of soil and climate, the proper kind of direction and supervision needed by the settler, and the most suitable kind of credit arrangements, etc. Much scientific investigation remains to be done in this important field. The work of numerous land com-

panies has provided a rich body of experience which can be supplemented by actual study of the progress of settlers under the various methods employed.

It is exceedingly important to recognize that no single method or combination of methods suits all kinds of conditions. In the first place we have the fundamental differences in the kinds of regions to be developed, such as cut-over lands, drainable areas, irrigation regions and dry farming regions. Furthermore, within any particular kind of region there are numerous differences in kinds of land, and the method of settlement will need to vary according to these differences. More important than all else, however, are the differences between settlers. Entirely different methods need to be employed in dealing with such diverse classes as the foreign workers from the mines or timber lands, the city dwellers of American descent and of early farming experience, the city dwellers of American descent who have not had farming experience, the tenants and farm owners from older regions of agriculture who are migrating to better themselves in the newer regions, and other classes that might be mentioned.

Assuming that the rate and direction of settlement can be properly regulated and that provision can be made for lands in reserve to be devoted to forest and grazing uses pending their ultimate employment for agriculture, it would seem to me somewhat immaterial whether the actual processes of settlement are brought about by private agencies or by public agencies, provided, of course, that the private agencies are compelled to employ suitable methods of settlement. In fact, assuming that we continue to have private ownership of the greater part of the domain yet remaining unsettled, it is highly probable that we shall have to count on private settlement as the most important method. Indeed, this is all the more probable because these private agencies are now functioning, and it would be probably uneconomic and unjust, and certainly legally and politically difficult, to compel them to abandon the field of their private activities.

It should be said of public colonization that it is largely free from the pressure to sell characteristic of private colonization, and also free from the practices which are dictated by the desire to make large profits. However, it is likely to be weaker on the administrative side. Its strength depends on the degree of efficiency in public administration. We have all degrees of administrative efficiency in this country. We have had some notable instances of great efficiency in public enterprise and also of the most extreme waste and inefficiency. Whatever the weaknesses of public administration may be they are likely to show glaringly in public colonization, but at any rate they are not the weaknesses of competition.

It is probable that a certain amount of public colonization by way of experimentation in methods and by way of setting examples for private agencies would be wholesome. But it may be doubted whether a wholesale policy of public colonization, especially if an attempt is made to put it into operation in a short period, could be expected to end otherwise than in disaster.

This discussion can be concluded no better than by again stressing the extreme importance of the problem in the notable words of Mr. James J. Hill, who prophetically asserted more than ten years ago: "The United States has many social, political and economic questions—some old, some new—to settle in the near future; but none so fundamental as the true relation of the land to the national life. The first act in the progress of any civilization is to provide homes for those who desire to sit under their own vine and fig tree. A prosperous agricultural interest is to a nation what good digestion is to a man."

STATE TAX REFORM AND THE FARMER[1]

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"That the farmers bear a disproportionate share of taxation is generally known and accepted by most of the informed throughout the United States." This is a view of the situation in the United States made in the report in 1916 of the Joint Legislative Committee on Taxation of the State of New York.

Tax commissions in California, Minnesota and Michigan have made studies of the actual and the comparative weight of taxation borne by the farmers in their states. In California and Minnesota the comparison was between agriculture and manufactures; in Michigan the comparison was between the taxation of farms and that of a number of other classes of property. It was found by the California Commission of 1906 that the tax paid on the capital value of farms was 1.14 per cent and that on the capital value of manufactures was one-half of one per cent. It was found further that the tax on farms was 7 per cent of gross income and 10 per cent of net income, while on manufactures they were respectively one-third of one per cent and 2 per cent. In Minnesota the investigation of 1908 showed that manufactures were taxed actually at the rate of a little less than one-third of one per cent of gross product and 2 per cent of net, and that agriculture was taxed 4.7 per cent of gross product and 6.88 per cent of net. In Michigan the Commission of Inquiry of 1911 found that the tax per $1000 of value of farms was more than that on the $1000 value of manufactures, mines, electric railways, and power, heat and gas companies, but less than on city real estate, banks and trust companies, railroads, car companies, telegraph and telephone companies. The investigations in these three states were

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[1]This Paper was read at the Second Annual Meeting of the Southwestern Political Science Association, March 24, 1921.

followed by changes in the tax systems which were designed to remedy the inequalities revealed.

No investigation of a character similar to any of the above has ever been made in Texas, but one is a necessary basis for anything like an intelligent and effective revision of taxation methods. Paradoxically, the farmer who has most to gain by tax reform is the one who is, or who is thought by the politicians to be, the most stubborn enemy of any investigation or change. The farmers appear to be content, but their situation is not unlike that described by Walpole, as follows: "Landed gentlemen are like flocks of their plains, who suffer themselves to be shorn without resistance; whereas the trading part of the nation resemble the boar, who will not suffer a bristle to be plucked from his back without making the whole parish echo with his complaints."

In opposing, or letting their representatives in the legislature assume that they disapprove of, a committee or commission to investigate and to propose a revision of the tax system of this state, the farmers are standing in their own light. Texas is one of the few states which has not had a competent special tax commission to study the operation of her tax system and to outline reform, and she is also one of the fewer number of states which, with or without a precedent investigation, has not made a change in recent years in her methods of property taxation. Except for having made taxable the intangible values of railroad, ferry, bridge and turnpike companies and for having provided the indispensable central machinery for the ascertaining of such values, Texas has made no change in the system of property taxation since the adoption of the Constitution of 1876, and virtually no change since the beginning of statehood in 1846.

The main dependence for revenue in this state is upon the general property tax. This tax is supposed to fall on all property, real and personal, except such as is specifically exempted by law. The equal and uniform tax clause of the state constitution requires that the same rate of tax shall apply to every class of property, whether it be real or personal, tangible or intangible, producing an income or not.

Assessment of this tax is for the most part with locally elected officials who are entirely unsupervised by any state authority. This form of the general property tax is antiquated and not more than five or six states of the Union adhere to it. The inequalities and injustices arising under it have caused its abandonment throughout the world. The results of the tax are so well known as to be commonplaces. They are, briefly stated, lack of uniformity among the counties in the percentage of assessed to true value of the same class of property; the escape of personal property, particularly of intangible personal property, such as money, credits and securities; the undertaxation of the large and complicated properties of corporations; and widespread perjury on the part of taxpayers. As has been tersely said, persons are taxed not according to their ability to pay but according to their inability to escape.

The defects in the operation of the tax are of particular concern to the farmer, because whether he is a landed farmer or a tenant, he is, as a class, the owner of the largest amount of the visible or tangible property which can be and is most easily reached by the assessor. The lack of uniformity among the counties in the proportion of taxed to true value results in farm land, livestock, vehicles, tools and implements contributing unequally to the support of the state government. If farm land in one county is assessed at twenty-five per cent of its real value and farm land in another county is assessed at fifty per cent of its real value, the farmer in the latter county pays double the state tax that the farmer in the other county pays. That this is the actual situation in the state with respect to the taxation of farm land, improvements, livestock, vehicles, and the like is established beyond the question of a doubt. This defect, so long as the property tax is used for state purposes, can be remedied only by the establishment of a state board of equalization or of a state tax commission with the power of equalizing assessed values. The farmers of the state are supposed to oppose the creation of a state board of equalization for fear all land assessments will be raised, but I think it much more

probable that the farmers would gain more than they would lose by such an arrangement.

Outstanding features of the economic development of Texas, especially since 1880, are the growth of corporations and the increase in personal property. They are the accompaniments of the transition from a wholly agricultural stage of economic life to the more diversified stage of agriculture, manufactures and commerce. Tax methods in Texas have failed to be adjusted, except partially, to this changed economic order.

The farmer is the owner of the bulk of property in land and visible personal property, while the town and city resident is the principal owner of the mass of intangible personal property and is the chief recipient of the income, such as wages, salaries and professional fees, which is unconnected with property and which is not reached for taxation under the property tax. Dependence on the equal and uniform decentralized general property tax results inevitably in the overtaxation of the owner of land and of other simple, visible property.

The statistical verification of the overtaxation of the farmer under the general property tax is only such as may be found in the reports of the state comptroller. In 1909, acreage real estate and livestock constituted 50.1 per cent of the total assessed values of the state, and in 1919 the per cent was 46.7. Though an undetermined amount of the acreage property and livestock was within the corporate limits of towns and cities, it is also true that an undetermined amount of such personal property as vehicles, money and credits, bank stock and miscellaneous property was owned by the farmer. Professor Seligman is of the opinion that personal property is assessed chiefly in the agricultural communities, and if this be true for Texas, farmers are bearing more than one-half of the state property tax.

It is a well known fact that the assessed values of lands are in many if not most cases far below their true values, but in spite of this and despite the fact also that the proportions which land and livestock are of the total assessed values of the state are declining, the kinds of personal property

owned chiefly in the towns and cities escape not only through undervaluation but also through not being listed at all. It is the escape of so much personal property that is concentrating the increasing weight of taxation on real estate. In 1919 town and city real estate made up 23.4 per cent of total assessed values, and this amount added to 40.3 per cent for land assessed in acres made real estate constitute 63.7 per cent of total assessed values. This compares with a total of 64 per cent in 1909.

Money, credits and securities constituted 3.7 per cent of the total assessed values in 1909 and 3.2 per cent in 1919. The increase in the assessed amounts of these items of property between 1909 and 1919 showed the smallest percentage (20.3) of increase of any of the classes of assessed property, except acreage real estate and railroads. The total assessment of money in 1919 was $46,741,674. This was the amount of money rendered as on hand or on deposit on January 1, 1919. The state and national banks of Texas had on deposit on December 31, 1918, $389,265,000. These deposits are exclusive of interbank deposits and, in the case of national banks, of government deposits. The deposits in private banks and in certain bank and trust companies operating under charters obtained before 1905 are not included. Of course, not all of the $389,265,000 was on deposit on January 1, 1919. If we should assume that two-thirds of the amount, or in round numbers $250,000,000, was on deposit and therefore taxable, the amount assessed not only of deposits but of money not on deposit was only 18 per cent of the amount of taxable deposits. This is a higher percentage of assessed to taxable amounts than is found in a city like Austin. Austin had a population of about 35,000 in 1919, but the number of renditions of money on hand or on deposit on January 1, 1919, for city taxes was only 218 and the amount rendered was $144,578. The individual deposits in the Austin banks on December 31, 1918, were $9,642,885. If we assume that one-half of these were taxable by the city and that they were assessable on a basis of sixty-six and two-thirds per cent, the amount taxable would be $3,214,294. The renditions

were only a little more than 4 per cent of the taxable amount. The percentage was actually lower, because the renditions were not only of deposits but of money on hand, in private safes, safety deposit boxes and elsewhere than in banks. The higher average for the state as a whole may be explained partly by the fact that the renditions are for different taxing jurisdictions and partly by the fact that evasion is probably more rife in the city than in the country. No one can seriously contend that there is anything like this undervaluation in the case of real estate or tangible personal property taken as a whole.

Some different method of taxation of the owners of money and credits is imperatively called for. They can not, they should not, and they will not bear the combined high property tax rates now imposed by the state, county, city and other taxing jurisdictions. Minnesota illustrates what may be accomplished by a different tax method combined with efficient administration by a state tax commission. In 1911 Minnesota adopted a 3 mills (30 cents on the $100) tax on money and credits. This is the sole tax on money and credits, and the proceeds are distributed among the state, the counties and the towns and cities. Between 1910 and 1918 assessments of such property increased from $13,919,806 to $330,300,219, and the number of persons assessed rose from 6,200 to 98,502. The revenue received increased from $379,754 to $990,000. Compare these figures with those for Texas. The Texas assessments of money and credits, excluding those of private banks and bankers, were $67,446,974 in 1909 and $83,291,674 in 1919. With a state rate of 75 cents in 1919 the revenue yield of the eighty-three millions would be about $625,000.[1] It seems to be beyond controversy that the Minnesota method results in more state revenue, more equitably and less burdensomely raised and in a lighter weight of taxation upon real estate and visible personal property. By means of the classified property tax or the personal income tax and centralized administration, for

[1]The revenue yield from county and municipal rates should be added, but is not ascertainable.

the latter is vital to the successful operation of either of these taxes as it is to that of any tax employed by the state, the owners of intangible personal property can be induced or made to contribute more towards the cost of state and county governments, and by so much relieve the farmer. Some of the states which have taken the forward step represented by these methods are Maryland, Pennsylvania, Minnesota, Connecticut, Rhode Island, Massachusetts, Delaware, New York, Wisconsin, North Dakota, Iowa, Alabama, and Kentucky. Which is the better method for Texas can be determined only after a careful investigation of conditions in the state.

The treatment of debts in the Texas tax law is discriminatory against the farmer. It is only the excess of credits over debts which is taxable as credits. The person with debts and no credits receives no benefit from this law. The average farmer whose property is mortgaged has no credits. The benefit of this provision accrues mainly, therefore, to merchants, manufacturers, public service corporations, and the like. In Texas mortgages are taxable as property in the hands of the mortgagee, and the property mortgaged is taxed to the mortgagor without deduction of the debt. This is double taxation, and the farmer pays for it in a higher interest rate.

The owners of intangible personal property are not the only tax dodgers whose shirking makes heavier the weight of taxation on the farmer. Merchants, manufacturers, public utilities, lumber, oil and other mineral producers are also the beneficiaries of the existing system of property taxation. The special state taxes upon some of these businesses may compensate for the defects of the property tax in its application to them. Whether these businesses are overtaxed can not be satisfactorily determined except by a competent official investigation, for the facts as to all taxes, federal, state, town or city, county and special district, and their ratio with respect to property and income can not otherwise be ascertained.

The state of North Dakota in 1919 had a government by, of and for the farmers. The Non-Partisan League, which is an organization of farmers, elected its candidate for gov-

ernor and controlled both houses of the legislature. The tax legislation of this state in 1919 consisted of a personal and a business income tax; structures and improvements on agricultural lands were entirely exempted from taxation; the tools, implements and other equipment of a farmer were exempted to the amount of $1000, and structures and improvements used as a place of residence by the owner on village, town or city lots to the amount of $1000. Property was divided into two classes and that in class one is assessable at 100 per cent of full value and that in class two at fifty per cent. Class one includes all railroads, and other public utilities, land, bank stock, flour mills, elevators, warehouses and storehouses, structures and improvements upon town and city lots used for business purposes, and buildings and improvements upon railroads' rights of way. Class two includes live stock, stocks of merchandise, and other property.

There are many good points to this North Dakota tax legislation, but there are some inconsistencies in it which are the result of too strong partisan or class motive. If the farmers were conscious of being partisan, they no doubt felt that "time about is fair play." A tax system should be constructed on no partisan or class basis, but on the principle of each person paying according to his ability to pay. This does not mean that it should always be to the limit of his ability, as it is so often interpreted to mean. Payment according to the principle of ability calls for a diversified tax system. A diversified system is to be contrasted with a single tax system. The single taxers are making a special appeal to the tenant farmers, but both in its aspects of a social reform measure and of a fiscal measure the single land tax is unsound theoretically and would be defective practically. The burden upon the landowner under such a system as was proposed by the single taxers in California would be terrific and the tenant farmers could not escape his share of the increase of the taxes on land.

The principal points of this paper summarized are, first, that the owners of tangible, visible property are bearing the load of the existing general property tax; second, that the

owners of intangible personal property and the recipients of incomes unconnected with property are undertaxed under the general property tax, and that to reach them other tax methods are necessary; third, that the taxation of business on the basis of property and the lack of centralized machinery for assessing many corporate lines of business result in undertaxation for state purposes; fourth, that revision along class or Utopian lines will prove futile; fifth, that we are very much in the dark as to just how the existing system operates and as to what should be done about it, and, sixth, that we shall continue to be in the dark and to muddle along until there is a competent official tax investigation.

DIVISION OF LATIN AMERICAN AFFAIRS

HERMAN G. JAMES, ASSOCIATE EDITOR

THE LEGISLATIVE DEPARTMENTS IN THE LATIN-AMERICAN CONSTITUTIONS[1]

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The legislative departments of all the South American Republics and of Nicaragua, Cuba, Haiti and the Dominican Republic are bicameral; those of the Central American states, except Nicaragua, are unicameral. The official designation varies: six countries, Argentina, Colombia, Cuba, Mexico, Peru and Paraguay call their legislative departments "Congress"; "National Congress" is the term used in Bolivia, Brazil, Chile, the Dominican Republic and Ecuador; in Venezuela, "Congress of the United States of Venezuela"; in Guatemala, Haiti and Panama, "National Assembly"; in Salvador, "National Assembly of Deputies"; and in Honduras, "Congress of Deputies"; in Costa Rica, it is "The Constitutional Congres"; and in Uruguay, the "General Assembly." The upper house is known in all countries as the senate; while the lower house is uniformly designated Chamber of Deputies, except in Colombia, Cuba, Haiti, Mexico, and Uruguay where it is called House of Representatives.

The constitutional provisions relating to the legislative branch will be summarized under nine main headings.

1. *Qualifications of Representatives and Senators*

To be a member of the lower house in Brazil, Chile, Costa Rica, the Dominican Republic, Guatemala, or Venezuela, a deputy must be twenty-one years old; and in all other states, twenty-five. Everywhere he must be a citizen in full exercise of his rights. In Argentina, Brazil, Costa Rica, and Ecuador, he must have been a citizen for more than four years; in Bolivia and Uruguay, for five years; in Cuba,

eight; in Mexico, Venezuela and Peru he must be a native of the department which he represents, having resided there for six months in Mexico and two years in Peru; in the Dominican Republic, Honduras and Salvador, he must be either a native or a resident of the department which he represents; and in all other States, he must be a citizen of the state.

Only four states impose property qualifications for membership in the Chamber of Deputies: in Bolivia a deputy must have an annual income of about one hundred dollars, derived from a profession, industry, or from real property; in Haiti he must own real property or be engaged in industry; in Chile his annual income must be five hundred dollars, from any source; and in Costa Rica he must have a yearly income of five hundred dollars or two hundred dollars principal. In addition, Costa Rica prescribes an educational test: a deputy must be able to read and write; and in Salvador he must be "of recognized honesty and instruction."

There are also certain disqualifications. In Mexico no minister of any religious creed may become a representative; in Chile, Guatemala and Peru, members of religious orders are disqualified; and in Nicaragua no citizen belonging to the "ecclesiastical state" shall be made a deputy. In Mexico, also, the representatives "shall not be in active service in the Federal army, nor have any command in the police corps or rural constabulary in the districts where the elections respectively take place, for at least ninety days immediately prior to the election." In Paraguay, if a can-

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[1]Constitutions used: Argentina, September 15, 1860, amended to March 15, 1898; Bolivia, October 17, 1880, amended to November 10, 1888; Brazil, February 24, 1891, amended to June 26, 1893; Chile, May 25, 1833, amended to April 27, 1905; Colombia, August 4, 1886, amended to 1905; Costa Rica, December 7, 1871; Cuba, February 21, 1901; Dominican Republic, June 20, 1896; Ecuador, January 12, 1897; amended to November 5, 1887; Guatemala, December 11, 1879; Haiti, October 9, 1889; Honduras, September 2, 1904; Mexico, 1917; Nicaragua, March 30, 1905; Panama, February 13, 1904; Paraguay, November 25, 1870; Peru, November 10, 1860; Salvador, August 13, 1886; Uruguay, November 25, 1917; Venezuela, April 27, 1904.

didate is elected by more than one department, he must represent the one farthest away from the capitol in order to avoid delay. In Brazil, no deputy or senator may be "president or director of a bank, company or enterprise which enjoys favors from the Federal Government defined by law." In Chile, Costa Rica, Guatemala, Salvador, Honduras, Mexico and Panama, judges of the supreme court, intendants, governors, and contractors of public works are ineligible as deputies. In Uruguay, judges and officials cannot be elected from the districts in which they function. In all of the constitutions the qualifications for members of congress are expressed in the affirmative, "*Para ser*, etc.," and not, as in the constitution of the United States, in the negative. The disqualifications are then expressed independently.

The qualifications for senators in the South American countries and Mexico are generally the same as those for the deputies except that, as in the United States, a higher age qualification is prescribed. In Paraguay, senators must be twenty-eight years old; Argentina, Colombia and Haiti prescribe thirty years; Uruguay, thirty-three; Chile, thirty-six; and the other countries, thirty-five. In four states, unless he is a native-born citizen, a senator must have established a legal residence. In Argentina, he must have been six years a citizen; in Venezuela, four; in Uruguay, seven; and in Colombia, five. Four states also require property qualifications: In Argentina, he must have an annual income of $2000.00 from any source; In Chile, the same amount; Bolivia prescribes only $150.00 yearly income, and Colombia, $1200.00.

2. *Composition of the Legislatures.*

The following table will summarize the methods by which members of the Latin-American legislatures are chosen, the apportionment of members, their term, and the method of partial renewal.

From this table it will be seen that all of the lower houses are elected by direct popular vote except in the Dominican

COUNTRY	DEPUTIES					SENATORS			
	Method of Election	Number[1]	Ratio	Term	Renewal	Method of Election	Number[1]	Term	Renewal
Argentina	Direct, popular vote	158	1—33,000	4 years	By halves	By legislatures in provinces and special body in federal district	30	9 years	By thirds
Bolivia	Direct, popular vote	72	Regulated by special law	4 years	By halves	Direct popular vote	16	6 years	By thirds
Brazil	Direct, popular vote	212	1—70,000	3 years	.....[2]	Direct popular vote	63	9 years	By thirds
Chile	Direct, popular vote	118	1—30,000	3 years	Totally	Direct popular vote	37	6 years	By special methods
Colombia	Direct, popular vote	92	1—50,000	4 years	Totally	By electors	35	4 years*	.....
Cuba	Direct, popular vote	93	1—25,000	4 years	By halves	Indirect election	24	8 years	.....
Dominican Republic	Indirect vote	24	Two from each province	4 years	By halves	Indirect election	12	6 years*	By thirds
Ecuador	Direct, popular vote	48	1—30,000	2 years	Totally	Direct popular vote	32	4 years	By halves
Haiti	Direct, popular vote	66	fixed by law	3 years	Totally	Indirect vote	39	6 years	By thirds
Mexico	Direct, popular vote	.....	1—60,000	2 years	.....	Direct popular vote	58	4 years*	By halves
Nicaragua	Direct, popular vote	40	1—15,000	2 years	By halves	Direct popular vote	13	6 years*	By thirds
Paraguay	Direct, popular vote	.....	1—6,000	4 years	By halves	Direct popular vote	35	6 years*	By thirds
Peru	Direct, popular vote	110	.....	5 years	.....	Direct popular vote	1—12,000	5 years*	.....
Uruguay	Direct, popular vote	.....	1—3,000	3 years	Totally	Indirect election	19	6 years*	By thirds
Venezuela	Direct, popular vote	.....	1—35,000	3 years	.....	By state legislatures	42	3 years*	.....
Costa Rica	Direct, popular vote	43	1—15,000	4 years	By halves				
Guatemala	Direct, popular vote	69	1—20,000	4 years	By halves				
Honduras	Direct, popular vote	42	1—10,000	4 years*	.....				
Panama	Direct, popular vote	32	1—10,000	4 years	.....				
Salvador	Direct, popular vote	42	1—15,000	1 year	Totally				

[1]The figures in columns headed "number" are taken from a special report, Pan-American Union, May 7, 1921.
[2]A ..... is used to indicate omission of facts in either respective constitution or aforesaid report.
*An asterisk indicates that substitutes as well as regular representatives are elected.

Republic, and that the senates or upper houses are elected in the same manner in all but seven states, namely, Argentina, Haiti, Dominican Republic, and Venezuela, where the legislatures in the provinces elect the senators, and Colombia, Cuba and Uruguay, where they are elected by "indirect election" in the first named, and by the departmental councils in the last two. The apportionment of senators among the different provinces or states varies. In nine states,—Argentina, Bolivia, Brazil, the Dominican Republic, Ecuador, Mexico, Uruguay, Venezuela and Nicaragua—every province or state and the "federal districts" are given equal representation regardless of size; while in Colombia and Peru the senate is fixed at thirty-five; in Haiti, 39; in Paraguay, one senator is elected for every twelve thousand persons, and in Chile one senator is elected for every three deputies or fraction of two.

Like that of the United States, the constitutions of Argentina, Brazil, Paraguay, Mexico and Uruguay provide a ratio for deputies, expressed in terms of a maximum which is variable as the population increases; in the remaining states, however, of South and Central America, the constitutional ratio for deputies is fixed.

Unlike anything contained in an American state or federal constitution, thirteen of the Latin-American constitutions make definite provisions for the election of substitutes or alternates for regular members of the legislature. For example, five states—Argentina, Brazil, Chile, Paraguay and Peru provide for calling an election to fill a vacancy while six states—Honduras, Mexico, Nicaragua, Panama, the Dominican Republic and Uruguay elect one alternate or substitute when the regular representative is elected; Colombia elects two, and in Venezuela a substitute for each deputy is elected by popular vote, but the alternate for the member of the senate is elected in the legislature. The other states make no provision for substitutes in the legislature. In all the Latin-American states members are eligible for re-election indefinitely except in Uruguay where a senator may not be re-elected until after an interval of at least two years.

3. *Popular Basis of the Legislatures*

Suffrage qualifications are definitely set forth in the constitutions of the Latin-American countries and are not left to the several states as in this country. In nine countries—Brazil, Chile, Colombia, Cuba, Guatemala, Haiti, Honduras, Panama, and Venezuela, a citizen elector must be twenty-one years old; in the Dominican Republic, Ecuador, Nicaragua, Paraguay and Salvador, he must have attained the age of eighteen; Bolivia, Honduras and Mexico allow the unmarried to vote at twenty-one and the married citizens at eighteen; while in Costa Rica a married man may vote at the age of eighteen, and one not married at the age of twenty. Argentina leaves the entire matter of citizenship to congress to be determined "upon the principle of citizenship by nativity,"[1] and the Uruguayan constitution prescribes no age limit for voters.

In several states an educational qualification is specified as in Bolivia, Chile, Ecuador, Guatemala, and Honduras where a voter must be able to read and write. Guatemala and Salvador[2] permit those under eighteen to vote who have obtained some literary degree. Bolivia is the only state which imposes a definite property qualification: $75.00 annual income is required of every man who is a citizen of that state, provided the income is not for wages as domestic servant. In some states a citizen must be able to earn his living, as in Colombia where "he must be engaged in some profession, art or trade, or having a lawful occupation or other legitimate and known means of support";[3] and in Costa Rica where a man in order to vote must have "some property or honest trade, the fruits or income of which is sufficient to support him."[4] Guatemala has a similar provision and Paraguay and Uruguay, also, in the case of naturalized citizens. In Guatemala, although the general age qualification for voting is twenty-one years, persons

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[1]Constitution of Argentine, Art. 67.

[2]Salvador and Mexico have compulsory voting.

[3]Constitution of Colombia, Art. 15.

[4]Constitution of Costa Rica, Art. 9.

serving in the army are permitted to vote if they are over eighteen. In Peru a voter must be inscribed in the military register.

4. *Privileges, Disabilities and Compensation of Members*

As in the United States, the constitutions of all the Latin-American republics provide that each chamber shall be judge of the elections and qualifications of its members, inspect their credentials, and accept or refuse their resignations if tendered voluntarily. In Ecuador, if a member of congress withdraws without the consent of the chamber to which he belongs, he is liable to lose his citizenship for two years. And in Mexico, Panama, Peru and Uruguay, if a member of congress accepts a paid position from the president, he forfeits his seat, except that in Panama he may become secretary of State, governor of a province or diplomatic agent, and in Peru he may accept the position of minister of state or "Commissioner Extraordinary of International Character."[1] Moreover, like the constitution of the United States, those of Argentina, Chile, Cuba, and Paraguay provide that by a two-thirds or a three-fourths vote either chamber may expel a member for disorderly conduct or inability to discharge his duties faithfully. In Bolivia, also, each house may suspend or expel its members, although the necesary vote is not specified. But, unlike the constitution of the United States, in the Dominican Republic, Mexico, Peru, and Uruguay the members of congress are expressly made subject to impeachment, the charges being brought up in the lower house and tried in the senate just as in the case of the impeachment of executive officers in these countries. But in Salvador the constitutional provisions are somewhat more definite. This constitution says that "If any representative commits a grave offense between the day of the election and the day of adjournment, he shall be tried by the Assembly for the sole purpose of expelling him, if guilty, and then surrendering him to the ordinary courts. For

[1]Constitution of Peru, Art. 81.

minor offenses and misdemeanors, committed during the same period, the prepresentative shall be subject to the jurisdiction of the competent court; but he shall not be detained, arrested, or examined until after adjournment. If the offense committed by the representative is grave, but anterior to the date of the election, the Assembly shall have the power, upon the proper investigation of facts, to annul the election and submit the guilty party to the competent courts. If, during the sessions, a representative is caught in the act of committing a crime or offense, any private person or authority shall have the power to detain him and place him, within twenty-four hours, at the disposal of the Assembly."[1]

In all the states it is definitely provided that no member may be held for an opinion expressed on the floor of congress; and, except as noted above, a member may be arrested only in case of flagrant misdemeanor. In such cases he may be arrested, expelled from congress and then tried by the regular courts. Several of the states accord immunity from arrest to legislators within varying periods of time. For instance, in Venezuela a representative is free from arrest for thirty days before May 23 and until the end of the session of congress; the contitution of Nicaragua allows from thirty days before the opening of congress until fifteen days after the end of the session; in Ecuador a legislator is immune except for crime from the opening of the session until thirty days after the chamber adjourns; Columbia allows freedom from arrest for a period extending from forty days preceding the opening of the session until its close. In Bolivia no member of congress may be arrested for ordinary offenses from the day of his election until the day of his return from the meeting of congress, and in Panama he is free from arrest for twenty days before the assembly opens and a like period after its close.

With respect to conpensation of members of the Latin-American legislatures, no amount is specified in any constitution except in Haiti where a representative receives

[1]Constitution of Salvador, Art. 65.

three hundred dollars per month from the public treasury, and a senator one hundred fifty dollars; but some reference to compensation is made in several of them. During the session the senators and deputies of Brazil are entitled to a salary and emoluments which have been fixed by the preceding congress. The constitution of Chile expressly states that the services of both deputies and senators are gratuitous. In Mexico "no representative or senator who shall fail to attend any daily session without proper cause or without previous permission of the respective House, shall be entitled to the compensation corresponding to the day on which he shall have been absent."[1] In Panama "no increase in per diem or mileage allowances shall become effective until after the term of the members of the assembly which voted the said increase shall have expired."[1] In the same state when a deputy withdraws from a session he receives mileage from his place of residence to the capital, and his substitute, from the capital to his own home. Senators and representatives in Uruguay are paid a monthly allowance during their term of office, the amount being determined by a two-thirds vote of the assembly, and by a special resolution in the last sitting of each legislature for the members of the succeeding one. In the constitutions of other states no reference is made to compensation.

5. *Organization of Congress*

Unlike the United States, the constitutions of Argentina, Brazil, and Paraguay make no provisions respecting officers for the lower house; but, like the constitution of the United States, they provide that the vice-president of the nation shall preside over the senate and vote only in case of a tie. In the absence of the vice-president, the senates of Argentina and Paraguay elect a president pro tempore, while in Brazil the vice-president of the senate succeeds to the presidency of that body.

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[1]Constitution of Mexico, Art. 64.
[2]Constitution of Panama, Art. 61.

In Chile, Ecuador and Venezuela no provision is made for officers in either house, beyond that the houses shall "organize." The constitutions of Colombia and Peru declare that "each house has power to create and fill the offices necessary for the discharge of its business." In Uruguay each chamber may name its president, vice-president, and secretary. When the congress of Peru meets in joint session, the presidents of the two chambers alternate in presiding, and when joint sessions are held in Venezuela, the president of the senate presides with the presiding officer of the Chamber of Deputies as vice-president.

The constitutions of the Central American states contain no provisions regarding the organization of the legislative department. And, indeed, beyond naming the presiding officer in the constitutions of the South American states, nothing is said of the internal organization of the legislative department, such as the committee system, or the methods of legislative procedure. The following table brings out the principal points touched upon in the Latin-American constitutions with respect to the frequency and duration of the legislative sessions, date of convening and quorum.

From this table it will readily be seen that all but six of the Latin-American constitutions provide for annual sessions of the national legislatures and in these, five (Colombia, Honduras, Nicaragua, Panama and Venezuela), regular sessions of congress are held biennially, while in Cuba two sessions are held annually. All but two of these constitutions specify the exact date upon which congress must convene, and in the two exceptions (Honduras and Salvador) the date of assembly must fall within a specified period of fifteen days. Like many of our state constitutions, there are also definite limits fixed for the duration of a session of congress in all but Salvador, and in nine states no provision is made for extending the session beyond the time allowed, while in eleven other states there is some provision made for such extension. Some method is also provided in every state for the calling of special sessions. In fourteen states the president has the exclusive right to summon the legislature in extraordinary session, while in four

COUNTRY	A—Annual B—Bienial C—Semi-annual	Date of Meeting	Duration	Extension	Quorum
Argentina	A	May 1	To September 30	[1]	Absolute majority.
Bolivia	A	August 6	60 working days	To 90 days	Absolute majority.
Brazil	A	May 3	4 months		Absolute majority.
Chile	A	June 1	To September 1	To 40 days	One-third senate. Three-fourths deputies.
Colombia	B	February 1	90 days		Absolute majority.
Costa Rica	A	May 1	60 days	To 90 days	Absolute majority.
Cuba	C	First Monday in April and November	40 working days	None	Absolute majority.
Dominican Republic	A	February 27	90 days	30 days	Two-thirds majority.
Ecuador	A	August 10	60 days	None	Two-thirds majority.
Guatemala	A	March 1	2 months	To 3 months	Absolute majority.
Haiti	A	First Monday in April	3 months	To 4 months	Absolute majority.
Honduras	B	January 1-15	90 days	Only for special business	Two-thirds of members elected
Mexico	A	September 1	T. December 31	Only for special business	Two-thirds of senate.
Nicaragua	B	December 1	40 meetings	To 60 meetings	Majority in house. Absolute majority.
Panama	B	September 1	90 days	To 120 days	
Paraguay	A	April 1	To August 31		Absolute majority.
Peru	A	July 28	90 days	To 120 days	60 per cent of members.
Salvador	A	February 1-15	40 days	Only for necessary business.	Absolute majority.
Uruguay	A	March 15 or February 15	To December 15		
Venezuela	B	May 23	90 days	None	Absolute majority.

[1] A ..... is used to indicate absence of any constitutional provision.

it may be called by either the president or a fraction of the deputies; and in two states, Guatemala and Uruguay, the power to call an extra session is divided between the chief executive, the permanent commission and the National Committee. Eleven of the constitutions define "quorum" to mean an absolute majority; while in three states, the Dominican Republic, Ecuador and Honduras, two-thirds of the elected members constitute a quorum; Peru requires sixty per cent of the members of congress to be present to do business; in Chile, one-third of the senate and one-fourth of the deputies make a quorum; and in Mexico, two-thirds of the senate and a majority of the lower house. Two constitutions specify no quorum. Finally it should be added that where bicameral legislatures exist, both branches are required to meet simultaneously and are subject to substantially the same provisions respecting place of meeting and adjournment as are found in our own constitution.

To supplement the work of the legislative department when the congress is not in session, seven of the Latin-American republics—Chile, Costa Rica, Guatemala, Haiti, Mexico, Paraguay and Uruguay—have an auxiliary body or permanent committee, chosen from the body of the legislative assembly at the close of the last meeting of its ordinary session. Their duty, in all cases, is to watch over the observance of laws, subject to responsibility before the General Assembly. They have power in each country to call an extra session of congress. In Uruguay there are seven members on this permanent committee: two senators and five representatives, named by a majority vote in their respective chambers, the vote indicating which senators shall be president and vice-president. Alternates for each member of the committee are also elected. The permanent committee of Paraguay is composed of two senators and four deputies elected by absolute majority of their chambers; one substitute is appointed by the senate, and two by the chamber of deputies. The committee elects its own chairman and vice-chairman. A substitute is called by lot, when needed. The concurrence of four members is necessary to any decision, and in case of a tie the chairman de-

cides the issue. Mexico has the largest permanent committee of all the seven states, consisting of twenty-nine members, fifteen of whom are representatives and fourteen, senators. In addition to the powers already mentioned as vested in the permanent committee, it may, in Mexico, give its consent to the use of the national guard; and may administer the oath of office, should occasion arise, to the president, the Justices of the Supreme Court, to the superior judges of the federal district and territories, "on such occasions as the latter officials may happen to be in the City of Mexico"; and is required to report on all pending matters, so that they may be considered in the next session of congress. The permanent committee in Haiti consists of seven senators appointed by the senate before its adjournment. Its sole duty is to call the National Assembly in case of vacancy in the office of president. The unicameral legislatures of Guatemala and Costa Rica elect, respectively, seven and five members to constitute the permanent committee. In Guatemala the chairman is elected at the first meeting, and the ordinary powers are conferred upon the committee; in Costa Rica, a chairman and secretary are elected from the membership of the committee, and it may also use for its work the clerical force in the office of the secretary of congress. The archives of congress, too, are at its disposal. In addition to the powers usually delegated to these committees, the permanent committee in Costa Rica has two additional powers. It may form a part of the council of government when so desired by the executive power, for the consideration of some important matter; the opinion of the committee in such a case is purely advisory. It may also draw up any bills which may be deemed advisable for submission to congress at its next meeting.

Before the close of its regular session, the congress of Chile elects seven of its members, by "cumulative vote," who form the permanent committee, the functions of which expire on the thirty-first day of May following. Nothing is specified as to its organization, officers, etc. Its duties are to stand in lieu of congress, seeing that the constitution is observed, reporting deficiencies to the chief executive,

agreeing or disagreeing to the acts of the latter official, calling an extraordinary session of congress if it so desires, and reporting to congress upon its own acts while in session.

Nicaragua delegates to the executive "power to legislate, during the recess, in subjects of finances, war, police, promotion of public welfare, and the navy, without opposing the spirit of the constitution and laws"; in Honduras, congress may "delegate to the executive the power to legislate, stating distinctly the laws which necessity and the public good may peremptorily demand"; while in Colombia, congress has power "to vest in the president of the republic, temporarily, such extraordinary powers as necessity or the public good may demand." The six states having a permanent committee give to it the right to carry on legislation during the recesses of congress, to conclude such unfinished business as remained when the regular session adjourns, and to make preparations for the next regular meeting of the legislature.

There are many similarities between the method by which a bill becomes a law under the constitutions of Latin-America and the United States. As regards the introduction of bills there are several plans. In Brazil, Cuba, and Venezuela, bills are introduced by a member of either house only; in Argentina and Haiti, the president or a member of either house may introduce any bill; the constitution of Chile provides that either house or the president, in his message, may introduce legislation except that measures referring to revenue and recruiting must originate in the house of deputies, and amnesties in the senate. The deputies or secretaries of state in Salvador introduce bills, while in Panama the deputies, secretaries of state or supreme court judges initiate laws; and in the Dominican Republic, Ecuador and Guatemala, members of congress, or the executive, or judges of the supreme court have the same right. In Honduras and Nicaragua bills are introduced by deputies, the members of the supreme court or the chief executive through the secretaries of state. In all the states the president has the power of veto, but the assembly may pass a bill over his veto in every case by a two-thirds

vote, except in Uruguay where a three-fifths majority is required. All the constitutions except those of Honduras and Nicaragua specify that if a bill fails to receive the necessary vote of congress after it has been rejected by the chief executive, it shall not be brought up again until the next session of the legislature. And in all cases, if the bill is not returned by the president within the time set by the constitution, it becomes a law without his signature. All the states except six allow ten days for executive consideration of bills; the Dominican Republic, Haiti and Salvador grant eight; Ecuador, nine; Chile, fifteen and Panama, from six to fifteen, depending upon the length of the bill. In two states—Guatemala and Honduras—congress is authorized to remain in session eight days, and in Salvador, ten days, awaiting bills not yet reported back by the president.

6. *Powers of Congress*

Many of the powers delegated to the Latin-American legislative bodies correspond rather closely in phraseology and connotation to those expressly conferred upon our own congress. The right to regulate foreign commerce is specified in the constitutions of Argentina, Bolivia, Brazil, Cuba, the Dominican Republic, Honduras and Nicaragua; Uraguay gives to congress the right to establish harbors; and in Argentina, Brazil, and Paraguay, congress controls the navigation of rivers; in the other states the power to regulate commerce is not mentioned.

In all the Latin-American states the legislative body has the right to levy taxes and imposts. Taxes on exports are not forbidden in any country. In Argentina it is "understood that duties and all other taxes of national character may be paid in the currency of the respective provices in their just equivalent value."[1] And only this constitution specifies that taxes shall be levied "for a period of time and proportionately equal in all the territory of the Nation." Only two constitutions, those of Argentina and Paraguay,

[1]Constitution of Argentine, Art. 67.

specifically mention the collection and regulation of import duties; in the other states a general power of taxation is delegated to the legislative bodies.

All of the legislative bodies of the Latin-American states have the right to borrow money, coin money, regulate weights and measures, and make an annual estimate of revenue and expenditures necessary for carrying on the government. All except Guatemala, Salvador, and Venezuela have the power of making rules for the control of the army; and, Congress, in all except four states, Bolivia, Brazil, Colombia and Venezuela may declare war. In Argentina, Brazil, Honduras, Mexico and Salvador, congress enacts naturalization laws; in Brazil it makes bankruptcy laws, also. In three countries, Argentina, Mexico and Paraguay, congress establishes post offices and post roads; while in as many more,—Costa Rica, Honduras and Nicaragua—it grants copyrights and patents as protection to authors and inventors. Five states, Argentina, Costa Rica, Honduras, Paraguay and Uruguay, give congress authority to establish federal courts inferior to the federal supreme courts, and five states also permit the legislature to organize and govern a militia, namely Argentina, Brazil, Mexico, Paraguay and Uruguay. The federal districts of Argentina, Brazil, Mexico and Venezuela are under the control of congress, and in nine states congress has the right to create new states and establish boundaries between states.[1]

The constitutions of only four states, Argentina, Brazil, Mexico and Paraguay, contain clauses corresponding to our implied powers clause. These clauses give to the national legislature the power so to organize their governments as to carry out the provisions made in the constitutions.[2] Some

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[1]Argentina, Bolivia, Brazil, Chile, Colombia, Nicaragua, Paraguay, Peru, Uruguay.

[2]The provision in the Argentine constitution for example, reads as follows: "To enact all the laws and regulations which may be deemed necessary to carry into effect the powers and faculties hereinbefore enumerated and all others granted by the present Constitution to the Government of the Argentine Nation."—Constitution of Argentina, Art. 67, Par. 28.

of the Latin-American constitutions include express grants of authority concerning matters which have been brought within the scope of congressional legislation in our own country only through the development of the doctrine of implied powers. For example, the congress of Argentina and Brazil is authorized to establish banks. In the former state, congress may establish at the capital a national bank with branches in the provinces, with power to issue bank notes; while in the latter, it "may create banks of issue, legislate in regard to this issue, and levy taxes on it."[1] In five states—Argentina, Bolivia, Brazil, Chile and Colombia, specific power is given to the legislatures to allow the national troops to serve outside the country. In Argentina congress is authorized to grant subsidies to provinces which cannot meet their own expenses, and to admit to the country religious orders not already existing there. In several states —Chile, Colombia, Ecuador, Mexico, Nicaragua, Peru and Uruguay—congress may change or fix the capital where the legislative body shall meet. The public lands of Brazil, Costa Rica, Ecuador, Honduras, Mexico and Panama are under the control of congress. In the Central American states and Mexico education and the establishment of schools are directly under legislative control.

7. *Limitations on the Legislatures*

Powers are expressly withheld from the national governments of Latin-America as follows: In Uruguay and Peru money may not be drawn from the treasury without a proper warrant; the constitution of Salvador states that "no power of the National Assembly shall be delegated except that of giving possession of their respective offices to the president and vice-president of the republic and the Justices of the Supreme Court and comptroller of the treasury." Other limitations appear in the bill of rights which is a part of the constitution of each of the states of Central and South America. All states guarantee personal freedom to the extent that no slavery shall exist within their borders and any slave setting

[1]Constitution of Brazil, Art. 34, Par. 8.

foot within the territory shall become, by that act, free. Freedom of religion is granted in Brazil, Cuba, the Dominican Republic, Guatemala, Honduras, Mexico. Nicaragua, Salvador, and Venezuela; Argentina, Chile, Colombia, Costa Rica, and Ecuador support the Roman Catholic Apostolic faith; in the other constitutions religion is not mentioned. Freedom of speech and of the press are uniformly guaranteed, likewise likewise the right of the people to assemble peaceably without arms and to petition the government. The right of indiscriminate search is forbidden. Inviolability of domicile is recognized by all the states, and freedom of private property from confiscation is guaranteed except in case of invasion or war. All constitutions forbid trial by special courts or commissions, or imprisonment except by trial. No man may be compelled to testify against himself. To each citizen is guaranteed the right of *habeas corpus;* and *ex post facto* laws are prohibited. The death penalty is abolished in all states except for grave crimes, such as military offences. No state may grant titles of nobility. No citizen may be prohibited from moving freely throughout the territory of the state in times of peace. Primary education is to be free, laical, and compulsory in all states. No tax is collected except by law. In all states industry is free and monopolies are prohibited; but in Honduras the government reserves the right to take over the manufacture of brandy, fermented beverages, gunpowder, dynamite and other explosives, saltpeter and tabacco; and it may authorize limited concessions to monopolies and privileges for colonization. In Mexico the state owns the mines, seas and lakes. Only Mexicans may own lands, and such foreigners as agree to become Mexicans "in respect to such property." No religious or charitable institution may own land. In Peru the state owns all mines and makes rules for their regulation. In this state also the constitution specifies that conflicts between capital and labor shall be arbitrated. The state fixes hours and conditions of labor and minimum wages in respect to age, sex and other conditions. In Salvador, the government manages the only

monopolies allowed, namely brandy, saltpeter and gunpowder.

8. *Relations of the Legislature to the Other Branches of the Government*

Certain definite relations between congress and the other branches of government, especially the executive, are provided for in the Latin-American constitutions. In Mexico and Venezuela, for example, the chambers elect the members of the electoral colleges. In all the Latin-American states, also, the legislative chambers count the votes for president and vice-president and declare the proper candidates elected. Moreover, in Argentina, Guatemala, Salvador, Costa Rica, Honduras, Panama, Chile, Ecuador, Paraguay, Mexico and Peru, congress accepts or refuses to accept the resignation of the chief executive and vice-president. In the Central American states, except Nicaragua, congress elects the *designados* who fill the office of chief executive in cases of vacancy. In Costa Rica, the Dominican Republic, Ecuador, Honduras, Nicaragua, Mexico and Uruguay the judges of the federal supreme courts are elected by congress. In Bolivia they are elected by the chamber of deputies, and in Peru they are nominated by the president, and elected by congress.[1] In all of the Latin-American states congress ratifies or amends treaties which are first drafted by the executive department and then submitted to the legislative chambers for discussion and acceptance.

Congress is authorized to institute impeachment proceedings against the president in every state except Guatemala and Honduras, and also Venezuela, where the supreme court has jurisdiction over such cases from the beginning.[2] In

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[1]Guatemala and Salvador elect their judges by direct vote of the people. Six states: Argentine, Brazil, Chile, Colombia, Panama and Paraguay, have the judiciary appointed by the chief executive, subject to confirmation by the senate in Argentina, Brazil and Paraguay. In Chile the nominations for justices are made by the Council of State, and in Colombia by the Supreme Court.

[2]See previous article, Southwestern Political Science Quarterly, Vol. 1, p. 387 (1921).

all of the states the federal supreme court has the power to judge the "validity of law," to apply the laws to all cases, civil and criminal, to render judicial decisions and enforce them, to settle claims between states and to act as the highest court of appeals.

9. *Miscellaneous*

In all Latin-American countries congress may participate in the process of constitutional amendment, but in no state is action by a single congress final. In Mexico the resolution to amend the constitution is introduced and passed as an ordinary bill but it must be approved by a majority of the state legislatures, the votes of which are counted by congress. In Venezuela either of two methods of amending the constitution may be followed: The president may submit an amendment which has been agreed to by the national congress to the legislatures of the states for ratification; or, the amendment may be proposed in congress at the request of three-fourths of the states, and ratified by the same number of state legislatures. Congress in nine states may call a convention to amend the constitution. They are Argentina, Colombia, Costa Rica, Guatemala, Honduras, Nicaragua, Panama, Paraguay and Salvador.

The remaining states, Bolivia, Brazil, Chile, Ecuador, Peru and Uruguay provide that a proposal to amend a constitution, having been initiated in one session of congress shall be voted upon at the next session of congress, and in all cases passed by a two-thirds vote, except in Ecuador where an absolute majority is required. In Bolivia the president may not veto an amendment, and if it refers to the constitutional term of the office of president, it may not be taken up for consideration until the following presidential period. In Brazil an amendment may be initiated by either the national congress or the legislatures of the states. One-fourth of the members of either house of Congress may introduce an amendment which is voted upon after three readings and accepted by a two-thirds ma-

jority; or, it may be suggested by two-thirds of the state legislatures, providing the votes of the legislatures are taken within the period of a single year. In the following year the amendment proposed in either of these ways may be adopted by a two-thirds vote of congress in joint session. In Chile either chamber of the assembly may propose an amendment which the president must include in his call for the new congress the following year. In Uruguay, after the proposed amendment to the constitution has been adopted by the congress it must be published by the National Council of Administration in its call for election of members of a new congress, and goes into effect if ratified at the next regular session of congress. A similar method obtains in Peru. In no country is the constitution submitted to a popular referendum for ratification.

In concluding this analysis of Latin-American legislatures, as in the previous study of the executive departments, it may be clearly seen that, although there is a strong general resemblance between the legislative branch of our own government and that of the Central and South American countries, there has been no blind following of our constitution. Indeed, most Latin-American constitutions embody interesting and important departures, which seem to reflect not only some knowledge of the judicial expansion of our constitution, but also no small degree of originality and practical statesmanship on the part of the framers of these constitutions.

NEWS AND NOTES

EDITED BY FRANK M. STEWART

University of Texas

NOTES FROM ARKANSAS

PREPARED BY DAVID Y. THOMAS

University of Arkansas

The Legislature of 1921 authorized a survey of the State University under the direction of a joint committee. At the request of this committee, the United States Bureau of Education assigned George F. Zook to this task and he was assisted by W. M. Jardine, president of the Kansas State Agricultural College; Anson Marston, dean of the Engineering School of Iowa State College, and Mrs. Henrietta M. Calvin, specialist in home economics, Bureau of Education.

The commission spent some time at the University and turned in a report, now published in a pamphlet of thirty-four pages, supplemented by a report of four pages by the legislative committee. The outstanding features and recommendations of the commission follow:

That the terms of the trustees be increased to nine years and that the four agricultural high schools be placed under this board, or, if this does not prove feasible, that the University be represented at the annual meeting of the boards of the district agricultural schools.

That a competent building and landscape architect be employed to lay out a comprehensive building plan.

That the men's dormitories be abandoned.

That better provision be made for instruction in physical exercise and hygiene.

That the University adopt a system of leaves of absence in sabbatical years on full or partial pay for members of the faculty.

That experimental farms be established in the rice and peach-growing sections.

That the engineering experiment station recently established be properly supported.

That a number of scholarships be established for graduate students.

That larger appropriations be set aside for the summer school.

That the curricula of the several courses of study in all the colleges of the University be reviewed for the purpose of instituting required citizenship courses.

That the Medical College at Little Rock be supported so that it may be raised so as to merit Class A rating.

The commission found some things to commend and some to condemn in the internal administration of the University. Most of the latter arise directly or indirectly from the meager equipment and maintenance given the University or from educational conditions in the state.

On most points the legislative committee agrees with the conclusions of the commission and passes them on to the Governor with its approval. On one matter of some importance they disagree. The commission declares that the University is unfortunately located, off in one corner of the state, and argues at some length for its removal to a more central location. Anyway, the question of removal, which comes up now and then, should be settled by vote of the people. The legislative committee takes the other side and holds that removal would be an "act of bad faith," a breach of "solemn contract with Washington County and the City of Fayetteville," which paid a bonus to secure the location.

The report will be presented to the next legislature, which meets in January, 1923.

Governor McRae asked the legislature to provide for a general educational survey, but this was refused. He has now appointed an honorary commission of twenty-five and has asked them to investigate the agricultural high schools, the state normal, and to co-operate with the leaders of the

State Educational Association who are campaigning the state in behalf of better schools, which means more money for their support.

Notes From Louisiana

PREPARED BY H. L. HAMMETT

New Orleans, Lousiana

EXTRA SESSION OF LEGISLATURE.—The Legislature of the State of Louisiana is at present in extra session.

Perhaps the greatest problem before the session is road legislation. Numerous bills to carry into effect the so called "pay as you go" plan as embodied in the Constitution of 1921, are pending.

A number of banking bills are also pending, among which are: a bill to penalize officials who knowingly allow unsecured overdrafts exceeding a certain fixed percentage of the capital of the bank; a bill to make it a misdemeanor for the employee of any bank or other corporation or for any other person to give any notice, by publication or otherwise, of the non-payment of any check or draft drawn on any state bank, after such banking institution on which said check is drawn shall have offered to pay the same in accordance with the laws of this state; and a bill for the guaranteeing of bank deposits by the state.

There have also been introduced several bills to remove the legal disabilities now imposed upon women, and these bills are being vigorously pushed by committees of women's clubs. Their provisions are varied though in general they seek to throw open all offices, both political and non-political, to women, and to remove all existing disabilities relative to property. These bills are being liberally amended and it is difficult even to summarize what is likely to become law.

Among other important matters already considered or now under consideration are: the substitution of electrocution for hanging as the mode of capital punishment in the Parish of Orleans; the enforcement of better sanitary conditions in hotels; the creation of a Building Contracts Com-

mission; an alteration of the present divorce laws so as to authorize divorces upon a shorter residence in certain cases; an act requiring all male persons to be examined for venereal diseases within fifteen days prior to making application for a license to marry; a return to the second primary system; two measures to prohibit the Ku Klux Klan; a more rigid enforcement of national prohibition laws; laws to relieve the rent situation; and several bills providing for investigation of the telephone companies.

NOTES FROM OKLAHOMA

PREPARED BY GLADYS DICKASON

University of Oklahoma

NOMINATING CONVENTION PROPOSED FOR DEMOCRATIC PARTY.—A committee on the constitution, appointed by the state central committee of the Democratic party in Oklahoma, submitted at a meeting of the latter committee on July 27th, a plan for a "statewide conference" of the Democratic party which should select, in election years, the party candidates for office. Opposition to the proposed plan was so strong that it could not be adopted at the meeting of the state committee, but, on the other hand, sentiment in favor of it was of sufficient force to prohibit its being finally disposed of. As a compromise, the plan has been passed on to the county conventions for ratification or disapproval.

Conferences, according to the proposal of the constitutional committee, will be held in each county for the purpose of endorsing candidates for local offices. Delegates to the county conferences shall be elected by the Democratic voters of each precinct, and the county conferences shall in their turn elect delegates to a statewide conference which shall endorse party candidates for state and congressional offices and shall determine questions of party policy. The plan provides that when the call for the conference is issued by the secretary of the state committee, dates for the holding of precinct meetings to elect delegates to the county conferences, and the date for the holding of the county confer-

ences shall be expressly specified, in order that these meetings may be held on a date uniform throughout the state.

The members of the constitutional committee advise the adoption of this plan of selecting party candidates as a remedy for the party dissension which usually results from the primary fights. It is their opinion that the candidate who survives the primary is not in as favorable a position to poll the united vote of his party, after being subjected to the mudslinging and recrimination of a campaign by a member of his own party, as would be a person who was given the support of the entire party previous to the primary and who had only a member of the opposing party to contest. Again, the sponsors of the proposal point out the fact that the primary system makes candidacy for office a rich man's game, and, they argue, this would not be true under the conference system. Politicians who oppose the plan remark that since the law provides for a primary, the Democratic party should observe the letter of the law instead of devising a scheme to evade it. It is a matter of fact that the plan does not actually violate the law; but certainly it does not comply with the spirit of the law. The conference simply endorses a candidate, and in no way interferes with the right of any member of the party to file in the primary if he wishes to do so. Opponents of the plan are also convinced that under the conference system candidates will be "hand-picked" by the party machine, and that the rank and file of the party will have no part in the nominating conventions.

Since the plan has been referred for ratification or disapproval to the county conventions, newspaper comment indicates that all that remains to be done is to bury the dead. This would seem to be a very fortunate circumstance. There is good reason to doubt whether a conference, which might be a very satisfactory nominating system if carried out under legal supervision, but which in this case would not be controlled by law either in respect to its composition or to its deliberations, would be as responsive to the people as is the primary system (if strictly adhered to) which the conference system would for all practical purposes supersede.

REORGANIZATION OF THE DEMOCRATIC PARTY.—At the meeting of the state central committee on July 27th, a new constitution, of which the conference plan is not a part, was adopted for the Democratic party. This constitution provides for a reorganization of the party, with a view to bolstering it up sufficiently to bring Oklahoma back into the Democratic ranks at the next election. Under the new plan, meetings will be held for the election of precinct committees in every precinct in the state at two o'clock on the second Friday in January in the even numbered years. A chairman and vice-chairman, who shall not be of the same sex, a secretary-treasurer, and four members, two men and two women, shall comprise the precinct committee. The chairmen and vice-chairmen of all the precincts in any county form the county committee. This committee, it is provided, shall organize by electing a chairman and a vice-chairman, who shall not be of the same sex, and a secretary-treasurer. It is further stated that these officers need not be members of the committee, but may simply be Democratic voters of the county in which they are selected. Carrying on the plan of organization, a committee which shall be responsible for party affairs in each congressional district is provided for. This committee consists of the county chairmen and vice-chairmen of all the counties within the district, and the three officers, chairman, vice-chairman, and secretary-treasurer, which they shall elect. The first two of these officers shall be of opposite sexes, and, as is the case with the county committee officers, all the officers of the congressional committee may or may not be members of the committee previous to their election to the office, but shall be Democratic residents of the district in which they are elected. The chairmen and vice-chairmen of the county committees, together with the chairmen and vice-chairmen of the congressional committees, shall compose the state committee, making the total membersphip of the committee 170. In order that the party organization shall not be used to continue one group of office-holders from year to year the constitution provides that no person who holds an office the emoluments

or profits from which are derived from public taxation shall be eligible to be a member of any committee.

The committees thus provided for shall have charge of party affairs in their respective districts, including the duty of organizing the party during campaigns and getting out the vote at elections. If the conference plan is adopted these committees will be the only campaign agencies needed, since the party organization at all times will be placing its strength behind the same man.

FARMER-LABORER RECONSTRUCTION LEAGUE ORGANIZED.—On September 17th, by a coalition of the Oklahoma Farmers' Union, the State Federation of Labor, and several other labor unions, a fourth political party, known as the Farmer-Laborer Reconstruction League, came into being in Oklahoma. The men who took the leading part in the organization of the new party at the Farmer-Labor convention are well-known and influential citizens of the state and are not novices in political affairs. Two hundred and seventy-nine delegates attended the convention and that number was much increased by the many visitors present who were not entitled to vote. Each of the two hundred and seventy-nine delegates represented an organization, so the fact that the new party is well supported and is in position to wield considerable influence cannot be questioned. The Socialist party, while not allied with the League, welcomes its entrance into the political field and endorses its principles.

At the meeting in Shawnee a declaration of principles and a constitution were adopted. Plans were made for a permanent organization, with a salaried manager employed by the state board of directors to be in charge. Any person who is eligible to membership in the Farmers' Union or in any legitimate labor union may become a member of the Reconstruction League; and in addition to receiving individual members, the League will issue charters to community clubs. An official paper, to be called the "Reconstructionist," will be published. Under the constitution, county conventions will endorse candidates for legislative and local offices, and a state convention will approve candidates for state and con-

gressional offices. Whether the party will put its own candidates in the field or will support the candidates of one of the existing parties has not yet been decided but will be left to the determination of the conventions from year to year.

The object of the League, as stated in its declaration of principles, is to elect through the united vote of the farmer and the laborer, legislative, judicial, and executive officers who will stand for the "welfare of the masses as against the welfare of the few." The League takes the position that commercial and moneyed interests, by means of organization which gives them an opportunity to dictate legislative policy, have hitherto prevented legislation which would have resulted in economic relief to farmers and laborers.

The League is demanding that the scope of the cooperative laws be extended so that the state can participate in the establishment of such co-operative enterprises as "warehouses, elevators, flour mills, oil mills, packing plants and mines and affiliated industries that are essential and necessary for the economic conversion of the farmers' raw products into finished materials and products." Their demands also include the promotion of home ownership by the state and the establishment of a state bank and of a state printing plant for the publication of school text books. The acts especially urged by the laborers are: the broadening of the compensation law so as to include state insurance; minimum wage laws for women; effective factory and railroad inspection laws, and other requests of like nature. A number of these demands are similar to planks in the platform of the Non-Partisan League of North Dakota, but it seems quite certain that the Oklahoma organization is in no way connected with this League.

A party which should be able to exert a real influence in the state has been organized; it remains to be seen whether the different elements composing it will cooperate in working for measures which will be of mutual benefit or whether, as some who have commented on the subject predict, one element will attempt to dictate the working program of the League while using the entire membership to get its

measures passed, and thus bring about dissatisfaction and disrupt the party.

TULSA NEGRO OUSTER ORDINANCE NULLIFIED.—Negro property holders of Tulsa, Oklahoma, have obtained a decree from the district court which makes it possible for them to rebuild the homes which were destroyed by fire during the race riot last June. Shortly after the riot, the city commismission passed an ordinance making the devasted area an industrial district and prohibiting the construction of frame buildings within such districts. The negroes alleged that in this case the city had used its power to pass fire ordinances solely to force the sale of the property within the district to white people. The city argued that since frame buildings in this district had once been destroyed by fire, the reerection of the same type of buildings would constitute a menace to adjoining property. That the fire which had laid waste the property did not occur in the ordinary course of events but was purposely and illegally started, and that if such illegal acts had not occurred the question of the fire ordinance would never have come up was the negroes' reply to this. A permanent injunction against the enforcement of the ordinance was granted by the court.

Notes From Texas

PREPARED BY THE EDITOR OF NEWS AND NOTES

SPECIAL SESSIONS OF THE LEGISLATURE.—Two special sessions of the Thirty-seventh Legislature were held this summer. The first convened on July 18th and was in session the constitutional limit of thirty days, and upon its adjournment a second session was immediately called by the Governor, which adjourned on August 25th.

In his message the first day the Governor submitted five subjects for legislative consideration, (1) appropriations for the support and maintenance of the state government and institutions, (2) additional revenue and appropriations for the public free schools of the state, (3) repeal of the

suspended sentence law and amendment of the prohibition law to make it more effective and easier of enforcement, (4) legislation for the removal of local officers for persistent refusal to enforce the law, (5) redistricting the state into senatorial and representative districts.

I. *Appropriations:* By the Board of Control act which went into effect on January 1, 1920, the Board of Control was made the agency to collect and review the estimates of expenditures for the next fiscal biennium and to present this budget to the regular session of the legislature in January.

A carefully prepared budget of proposed revenues and expenditures for the two years beginning September 1, 1921, and ending August 31, 1923, was presented to the legislature soon after it convened. The report gave the amounts of appropriations for the years ending August 31, 1919, 1920, and 1921, the amounts expended for 1919 and 1920, the amounts requested for the next biennium, 1921-1923, and the amounts recommended by the board. Great reductions were made by the board in the four major budgets, the judiciary, departmental, eleemosynary and educational budgets. The total appropriations requested by departments and institutions were $39,903,342.42; the board recommended to the legislature appropriations totalling $25,456,586.20, the reduction being necessary to bring the expenditures within the anticipated revenues of the state.

The regular session of the legislature adjourned in March without passing any of the major appropriation acts. Special appropriations, not included in the Board of Control's budget, in excess of $12,000,000 were passed. The Governor vetoed items of these appropriations amounting to over five million dollars, the largest appropriation vetoed being the $4,000,000 for the rural school aid for the next two fiscal years, leaving the total appropriations of the regular session nearly seven and one-half million dollars.[1]

This action of the legislature made a special session to pass the appropriation acts before September 1st, inevitable.

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[1]Southwestern Political Science Quarterly, March 1921, p. 427.

July 18th was the date fixed by the Governor for the special session.

Absolute economy in governmental expenditures and a justification of his vetoes of appropriations of the regular session were emphasized by the Governor in his message the first day. Introduction of the appropriation bills, which had been prepared by the House and Senate committees meeting in Austin ten days in advance of the legislative session, was early accomplished. The judiciary bill composed largely of statutory positions and salaries, was passed without much opposition early in the session. A real fight was precipitated with the introduction of the educational appropriation bill carrying appropriations for the University, Agricultural and Mechanical College and its branches, College of Industrial Arts, Normals, and Texas School for the Blind and Texas School for the Deaf. Over two weeks were spent in debate on this bill and it ended by the House adopting amendments restoring salaries to the 1919 basis before the increase of 1920 was added. A liberal compromise proposed by a joint conference committee of the House and Senate was rejected by the "retrencher" party in the House on the last night of the session, and the legislature adjourned on August 16th without passing appropriations for the support of the educational institutions. The departmental and eleemosynary appropriations were passed with many amendments of reduction.

In the House a disposition was shown not only to reduce all appropriations but to fix rigidly the items of appropriations and to prevent transfers, etc. This was accomplished by adding an amendment to each appropriation act ("Pope amendment") providing "that if any work be not done or the place not filled by the appointment of a person for whom a salary is herein fixed, then such salary shall lapse and be returned to or left in the State Treasury; and (2) provided further, that no person for whom any salary is herein fixed shall be allowed to draw more than the amount of such salary from any other salary or amount herein fixed or from any State fund or funds under the control of the governing authorities and various heads of the State department re-

ferred to herein; (3) and provided further, that if any amount herein fixed for any particular purpose be not used for such purpose in whole or in part the unused portion of such fixed amount shall be returned to or left in the State Treasury."

A second special session was called the next day. After eight days, part of the time marked by the absence of a quorum, a conference agreement on the educational appropriation bill containing a less drastic reduction in salaries than that first proposed by the House was adopted, and the legislature adjourned, leaving the appropriation acts for executive approval.

Under the constitution the Governor has twenty days after the adjournment of the legislature to approve or veto items of appropriations, and a bill becomes a law in twenty days without his signature unless it is disapproved. After careful study and deliberation, the Governor approved the eleemosynary appropriation act on August 31st with vetoes amounting to $623,760, the departmental appropriation act on September 2nd, with minor vetoes, and allowed the educational appropriation act to become law without his signature on September 6th.

II. *Rural School Aid:* An appropriation of $1,500,000 for 1921-1922 and $1,000,000 for 1922-1923 was made for the purpose of promoting the public school interests of rural schools and those of small towns. The appropriation of $4,000,000 for rural school aid made by the regular session was vetoed by the Governor.

III. *Law Enforcement:* Amendments were made to the prohibition law making it easier of enforcement, but the repeal of the suspended sentence law and the officer's removal bill met the same fate as in the regular session.

IV. *Redistricting.* Redistricting of the state into thirty-one senatorial districts was accomplished at the first special session. The act provided that it should not go into effect until April 1, 1924.

The representative redistricting act passed at the second special session divides the state into one hundred and twenty-seven representative districts, one hundred and fifteen

districts electing one representative each, eight districts electing two, one district electing four and three districts electing five, thus increasing the size of the House from one hundred and forty-two members to the constitutional limit of one hundred and fifty. West Texas is given more representation under the act.

V. *Administrative Consolidation and Economy:* On July 27th in a special message, the Governor renewed his recommendations made to the regular session for consolidation of overlapping departments and asked for the consolidation of the Warehouse and Marketing Department with the Department of Agriculture, transfer of duties of Tax Board and Tax Commissioner to the Comptroller and Railroad Commission, abolition of the Governing Board for Agricultural Experimental Sub-Stations and transfer of its duties to the Board of Directors of the Agricultural and Mechanical College, and transfer of the work of the Mining Board and Mine Inspector to the Labor Department.

The Governor stated it was his opinion that there were too many State employees, and too many traveling representatives. The government had been put "on wheels" resulting in enormous traveling expenses. Absolute economy and specific itemization of all appropriations were recommended.

Only one consolidation act was passed, the Governing Board for the Agricultural Experimental Sub-Stations was abolished and its duties transferred to the Board of Directors of the Agricultural and Mechanical College which has control of the Main Experiment Station.

VI. *Penitentiary Investigating Committee Report:* For many years, there have been complaints about the system of prison administration in Texas and the penitentiaries have been the subject of frequent legislative investigations and reports. The Thirty-seventh Legislature has accomplished more toward prison reform than any recent legislature. At the regular session, a joint committee of the House and Sen-

ate was appointed to investigate the penitentiary system. The committee made its report on July 30th. The report is divided into two parts— (1) the findings of fact, and (2) recommendations.

In the findings of fact, the report relates that the committee found that the law with reference to the punishment of convicts had been violated and that many convicts had been illegally and brutally treated; sanitary conditions at the main penitentiary were "extremely bad, unhealthy, and obnoxious"; the law regarding quantity and quality of food for prisoners was disregarded; prisoners were not classified and segregated according to age, prison, and criminal record as required by law; laws regarding education and spiritual welfare of prisoners were ignored; inefficient medical attention was given the prisoners, particularly the tubercular; and finally the business management and supervision of the system by the Prison Commission was poor and ineffective, and that the system was operated at a financial loss during 1920. Instances of poor business management on the part of the governing board were cited, where something more than bad business management was suspected.

The committee recommended the enforcement of existing laws governing the welfare of the prisoners as to punishment, segregation, education, spiritual training, sanitary and food conditions and suggested a larger fund for discharged convicts and a reward for meritorious conduct in the way of pardon. Amendment of the law relating to the removal of Prison Commissioners in order to avoid impeachment proceedings was recommended.

Regarding supervision and management of the system, two recommendations of great importance were made: (1) the creation of an Advisory Board or Board of Supervision to consist of three persons appointed by the Governor, one of whom shall be a woman, to serve without pay for two years, whose duty it should be to visit the penitentiary at least once every three months, to make an investigation of the treatment of the convicts and to report quarterly to the Governor and to the Prison Commission; (2) sale of all the prison farms and abandonment of the Huntsville peniten-

tiary and a relocation of the penitentiary system within fifty miles of the seat of government, where a modern prison should be erected with sufficient adjoining farm lands and where factories could be established to be operated with prison labor suitable for vocational employment.

Four important bills were passed carrying out the recommendations of the investigating committee: (1) providing humane punishment, prohibiting the use of stocks or chains, and limiting the use of the strap to certain offenses, (2) providing for removal of Prison Commissioners by suit brought by the Attorney General upon direction of the Governor, (3) creating a Penitentiary Supervisory Board to investigate and report on conditions in the prison system, and (4) providing for the sale of the main penitentiary at Huntsville and the prison farms, erection of a modern prison plant on a site within seventy-five miles of the City of Austin, and creating a commission to be composed of the Lieutenant-Governor, Speaker of the House and Land Commissioner to supervise the sale of the present prison properties and to select and purchase a new location for the prison system.

The law relating to punishment of prisoners was vetoed by the Governor on the ground that existing laws and regulations of the Commission covered the subject.

VII. *Graft Charges and Investigation:* In public speeches before the assembling of the legislature, the Governor charged that there was graft in certain departments of the administration. On July 20th, he stated in a message to the legislature that he had positive proof in his possession which would show (a) graft and mismanagement in the penitentiary system of the state, (b) a shortage in the Treasurer's office, (c) padding of the scholastic census in certain counties, (d) padding pay rolls and bogus checks at the Houston Clinic under the partial supervision of the Health Department, and (e) padding expense accounts by traveling employees of the Fire Insurance Commission.

A joint committee of five Representatives and three Senators investigated the charges and reported on August 11th. No investigation of the prison system was made as that had been made by another committee. Several thousand

dollars had been stolen from the Treasurer's department by one of the employees, but the employee had been arrested and part of the sum had already been repaid by relatives and friends of the employee and the bondsmen would pay the balance. Padding the scholastic census by certain counties was under investigation by the Department of Education. The irregularities in the Health Department occurred in a clinic at Houston jointly supported by the federal government, the state, and the City of Houston, and the state could not be held responsible for the irregularity there. There had been some padding of the expense accounts of traveling employees of the Fire Insurance Commission but it was believed there was no intent to defraud the state.

The committee believed there had been no financial loss to the state from any of the transactions and that the money in each instance would ultimately be recovered.

AMENDMENTS TO THE CONSTITUTION.—Five constitutional amendments were submitted to the voters of Texas at a special election on July 23. These amendments proposed: (1) to increase the salaries of the governor and other constitutional officers, (2) to increase the Confederate pension tax from five cents to seven cents on the one hundred dollars valuation, (3) to increase the length of the regular legislative session from sixty to one hundred and twenty days, to increase the compensation of legislators to $10 per day, and to reduce the mileage to ten cents per mile, (4) to abolish the Board of Prison Commissioners and to provide that the legislature should fix the organization for the prison system and, (5) to change the suffrage provisions by restricting suffrage to citizens only, allowing the husband to pay the poll tax of the wife and vice versa, and authorizing the legislature to provide for absentee voting.

A very light vote was cast throughout the state, the suffrage amendment, with a vote of 57,622 for to 53,910 against, being the only one adopted.

STATE TAX RATE FIXED.—The State Board to Calculate the Tax Rate (Automatic Tax Board) composed of the Governor, Comptroller and Treasurer, met on September 7, and fixed the rate of state taxation for the fiscal year beginning

September 1, 1921, and ending August 31, 1922 at sixty-two cents on the one hundred dollars valuation of property, distributed as follows: ad valorem, twenty-two cents, schools and free text books, thirty-five cents, and Confederate pensions, five cents. This is the same tax rate that was in effect last year. The rate should have been announced by July 20, but failure of the legislature to pass the appropriations caused the delay.

MINIMUM WAGE LEGISLATION.—As stated in a previous issue of the *Quarterly*,[1] the Governor signed the bill repealing the existing minimum wage law and vetoed the bill providing a new law, thus leaving Texas without a minimum wage law. The Governor had advocated in one of his messages to the legislature the repeal of the existing law, and his proclamation approving this repeal only restated the reasons given before: that the law was unworkable and impractical and that the Commission had nothing to show for the more than $20,000 expended during the two years of its existence.

The veto proclamation characterized the new minimum wage bill as unconstitutional, inconsistent with its real intent and more defective and unworkable than the original law. The exemption of nine classes from the operation of the bill and the way and the manner in which these exceptions were written constituted the bill, according to the proclamation, class legislation and took out of the scope of the bill those whom it was intended to benefit. The Governor began his proclamation by quoting three constitutional provisions which the bill violated: article 1, section 19 of the Texas Constitution prohibiting a person from being deprived of privileges and immunities without due course of law of the land; section 1 of the fourteenth amendment of the federal constitution prohibiting the denial of the equal protection of the law; and article 3, section 56 of the Texas

[1]March, 1921. "A Review of the Minimum Wage Theory and Practice, with Special Reference to Texas," by W. M. W. Splawn, University of Texas.

Constitution prohibiting the passage of any local or special law regulating labor.

The proclamation expressly stated however, that this veto was not to be interpreted as implying that a just, workable, constitutional minimum wage bill is impossible.

Among the points of difference between the old law and the bill rewriting it were the provisions in regard to the personnel of the Commission, the establishment of a zoning system, the method of the court's review of determinations, and the increase in the number of exemptions.

Functions now performed by the Industrial Welfare Commission were transferred to the Industrial Accident Board; and following the law creating that Board, the Commission was to consist of three members serving overlapping terms of six years each, one member to represent the employers, one the employees, and one the general public.

The zoning system provided for four classifications: (1) a division of the state into zones in accordance with the working conditions and costs of living found in the various sections of the state; (2) a subdivision of the zones by classifying the cities and towns in each zone according to the population as given by the 1920 census; (3) a division of any occupation, trade, or industry according to the character of the employees, their living conditions and their living costs; and (4) a division of the state into zones according to the kind of employees therein, their living conditions and living costs. The Commission was authorized to fix different wages for each of the subdivisions of these four classifications. In addition to these various resultant wages, the Commission was authorized to fix special wages to be paid by individual employers who showed conditions in their institutions causing lower living costs. Inspections by the Commission to determine such conditions were limited to two a year. A still different wage could be fixed by the Commission for learners, apprentices, and minors, and also another additional minimum wage in all cases where an employee worked less than four hours in any one day. Twenty per cent of the total number of women or minors in any one industry or

establishment was the limit fixed for the number of apprentices.

Among the changes as to the court's review of the Commission's determinations were the provisions that the court trial should in all respects be a trial *de novo;* that upon setting aside any determination, the court itself should make the determination; and that no criminal prosecution should be instituted or be maintained for any violation committed during the pendency of such civil suit.

In addition to the exemptions allowed by the old act as to domestic servants, farm and ranch laborers, and students in colleges, several other exemptions were included in the new bill: all telephone exchanges, mercantile establishments of all classes, laundries located in cities, towns, and villages whose population was 4,950 according to the 1920 census and employing not more than twelve women and minors, and all women and minors whose compensation was measured by piece only and who did not work under the supervision of the employer.

There were a number of minor differences between the bill and the old law. The provision in the old law authorizing the Commission to investigate hours was omitted. The county judge instead of the Commission was authorized to issue the licenses to defectives, the period was changed to twelve months instead of six months, and the number of licenses was changed from ten per cent of the total number of employees in an industry to twelve per cent of the total number of women and minors employed in an industry. An appropriation of four thousand dollars was included for the work of the Commission until the end of the fiscal year, twenty-four hundred dollars of which was allowed for salaries of secretaries, stenographers, and investigators.

Personal Notes

Dr. N. A. N. Cleven has resigned as assistant professor of history and political science in the University of Arkansas to accept a position as assistant professor of European history in the University of Pittsburg.

Dr. W. C. Binkley, instructor in government in the University of Texas, has resigned to accept an assistant professorship of European history in Colorado College.

Visiting professors in the department of government in the University of Texas for the summer school were Professor F. F. Blachly of the University of Oklahoma for the first term and Professor A. B. Butts of Mississippi Agricultural and Mechanical College for the second term.

"Principles of Accounting" by Professor Spurgeon Bell of the department of business administration of the University of Texas is the title of a text soon to be published by the Macmillan Company. It is designed for use as a text for the first year of college, and presents a logical statement of the principles of accounting and of double entry bookkeeping. An effort is made to make the subject teachable by numerous illustrated solutions, which teach the principles and also accounting form.

Mr. Frank M. Stewart, instructor in government and secretary of the bureau of government research in the University of Texas, returned to the University in June from a year's leave of absence and study of public administration in the National Institute of Public Administration of New York City.

Professor E. B. Reuter, of the department of sociology in Tulane University, has resigned to accept a position in the department of sociology in the University of Iowa.

Enrollment in the University of Oklahoma, to September 27, exceeds by one hundred and twenty-nine students the enrollment at that date last year. The total number of students registered is twenty-eight hundred and forty-two. One hundred and eighty-four upperclassmen have designated economics as their major subject. This number is greater

than the enrollment in any other department in the College of Arts and Sciences. Three new men have been added to the teaching force of the economics department: Samuel Catell, M.A., University of Amsterdam, Holland, assistant professor; W. H. Walter, M.A., Cornell, instructor; and Horace Taylor, A.B., Oklahoma, assistant instructor. Dr. T. B. Robb has resigned his position as assistant professor of economics in the University of Oklahoma to accept a similar position in the University of Missouri. An increased enrollment in the department of government brings the number of students in all classes in that department to approximately seven hundred and fifty.

The bureau of government research in the University of Texas issued a bulletin this summer on "Governmental Organization and Administrative Officials of Texas Cities."

Professor W. M. W. Splawn of the department of economics and sociology of the University of Texas and President W. B. Bizzell of the Agricultural and Mechanical College of Texas are preparing a text on "Elementary Economics" which will be published next year.

Mr. Leonard S. Hamilton of Indiana has been appointed assistant professor of history and political science in the University of Arkansas.

The ninth annual convention of the League of Texas Municipalities was held at Wichita Falls, Texas, on June 21-22.

Professor A. B. Wolfe of the department of economics and sociology of the University of Texas offered courses in the second session of the summer school in the University of Colorado. "Eugenics and Social Attitudes" is the title of a paper by Professor A. B. Wolfe read before the Second International Congress of Eugenics, held at New York City, September 22-28.

Professor M. S. Handman of the department of economics and sociology of the University of Texas spent the summer in Europe, visiting England, France, Italy, Spain, Austria, Germany, Roumania, and Morocco, and making a study of Roumanian economic history and nationalism in Catalonia.